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10 JUNE 1987



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# ***JPRS Report***

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# **Latin America**

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# SPECIAL NOTICE

Effective 1 June 1987 JPRS reports will have a new cover design and color, and some reports will have a different title and format. Some of the color changes may be implemented earlier if existing supplies of stock are depleted.

The new cover colors will be as follows:

CHINA.....	aqua
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LATIN AMERICA.....	pink
WEST EUROPE.....	ivory
AFRICA (SUB-SAHARA).....	tan
SCIENCE & TECHNOLOGY.....	gray
WORLDWIDES.....	pewter

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10 JUNE 1987

## LATIN AMERICA

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OFFICIAL, OTHER REACTIONS TO U.S. ANTI-DRUG OPERATIONS

Roker on Arrest of DEA Agents

Nassau THE TRIBUNE in English 15 Apr 87 pp 1, 15

[Article by Alexis Wallace]

[Text] Appearing at a party political rally for the first time in 10 years, National Security Minister Loftus Roker revealed that a plane loaded with marijuana was caught by Bahamian authorities. Two DEA agents, he said, were on board.

Mr Roker said last night that "since they said they were taking photographs they should have taken photographs of us arresting them."

In a speech, fired with patriotism, Mr Roker told about 400 listeners that no one, including the Americans, had done more than he had to stop drug trafficking.

He said that this country was not a dumping ground for illegal immigrants and that every job here must remain open for Bahamians, whenever they qualify. They must have the right of refusal of these jobs, he said.

"You know, it's an interesting thing, they tell me we're not fighting hard enough, we're not doing enough to stop drug trafficking, but let me give you a little story.

"A couple of days ago, we caught a plane loaded with marijuana with two American DEA agents aboard. What about that? And since they were taking photographs, they should have taken photographs of us arresting them.

"Now when they ask you how you know that, you tell them I told you so," said Mr Roker. "And they would know that I'm telling the truth."

"Many people, PLPs and FNMs, have said on numerous occasions that I want to sell the Bahamas to the Americans. But, now of course imagine a fellow when I was fighting for the independence of the Bahamas they were saying 'independence not now', that's what they was saving.

"In 1987 they are telling me that the country I fought for, to have a name in the sun, that I am a part of, that I will sell that to anybody?

"I will die first," said Mr Roker. "Mind you they were saying that when they thought I was doing too much to stop drug trafficking. Yet those same people will come to you and tell you how the Government is corrupt because they are not trying to stop drug trafficking.

"Now all I say is that you must be careful with these people who speak with soft tongues. They speak out of both sides of their mouths and in the back of their head at the same time. They do not deserve the confidence of the Bahamian people.

"Ladies and gentlemen, I know that most of you here travel to the United States, and when you travel there you know you must have your papers in order.

"Now the one thing I want us to understand is that if you give me a set of laws and you ask me to enforce the laws then allow me to enforce all the laws. You cannot enforce half the laws and not the other half, all must be enforced.

"And I say this country is not a dumping ground for people from all over the world and I say that there is no country in the world which has a policy for illegal immigrants to come and go as they will.

"If you want to do that, tear up your passport and let everybody go as they want and take over the Bahamas. I fought too hard for this country to give it away to anybody.

"I wouldn't give it away to the Americans, to the British, I fought to get it from them, the Jamaicans, the Trinidadians, the Haitians, wherever they came from, I have nothing against any of them, and we welcome many of them here.

"But, if you want to come to the Bahamas why not obey our laws. You try getting in their country without obeying their laws and see what gonna happen to you."

Mr Roker said that it was his belief that every job in the Bahamas must always remain open for Bahamians, whenever they qualify for those jobs. Don't tell me that there are thousands of Bahamians unemployed and then tell me that we must have foreigners doing jobs which Bahamians can do.

"Now if you tell me that then do not ask me to enforce your immigration laws find somebody else to do it. Because so long as I am enforcing your immigration laws I will only allow non-Bahamians to work in the Bahamas if I am satisfied that there are no Bahamians qualified for that job.

"But, if you entrust me with the responsibility and you give me the rules, and I enforce the rules, it is hard you know when you start complaining about me, I'm only human. And I do not believe in the position where I must do anything to have certain jobs in the Bahamas entrenched for foreigner.

"All jobs in the Bahamas must remain open so that whenever Bahamians qualify they must have first right of refusal for those jobs. I know that you think that I am telling you something which is revolutionary, that is the position with every country in the world, why should we be different in the Bahamas."

## Pindling Defense of Roker

Nassau THE TRIBUNE in English 15 Apr 87 p 1

[Article by Alexis Wallace]

[Excerpt]

PRIME Minister Pindling denied last night that National Security Minister Loftus Roker had misled the public on certain issues concerning the US/Bahamas anti-drug effort at his press conference on April 2.

"Something big is about to happen because talking fool is a dangerous thing," said Sir Lynden, "and Loftus Roker ain't mislead nobody he has the documentary proof to back it up."

The Prime Minister was directing his remarks to a statement made by American Ambassador Carol Boyd Hallett in defence of her country after Mr Roker had made statements that were considered out of context and misleading. Mr Roker had called the press conference, to which he had invited the international press, to answer allegations made in an NBC newscast about the Bahamas' continuing involvement in drugs.

Mrs Hallett singled out two examples that Mr Roker had given in relation to the United States and its role in the drug fight and said that there was much more in terms of the whole picture than was shared.

"And I think that it's so important for all of us to be accurate when we're involved in an issue like this," she said. "And it doesn't do anyone any good to use innuendo or to take information out of context."

"Loftus Roker has misled nobody. The time will come when, and it seems to be coming clearer every day, this is going to boil down to the case of whether you are for the Bahamas or not," the Prime Minister told a PLP rally at the Holy Cross constituency head-

quarters last night.

"This will boil down to the question of whether you are a real Bahamian or a shadow Bahamian. This will boil down to the question of whether you are prepared to stand up for your Bahamas or not," he said.

"After all has been said and done those who are real, those who are men and women, those who love their Bahamas will have to live here," the Prime Minister told a crowd of about 400.

"This is all we got, this is all we gonna get and this little rock we have to take care of. As push comes to shove and shove comes for them, the picture will become clearer and clearer and clearer," said the Prime Minister without clarifying who the push or shove were coming for. However, persons close to the political scene are of the opinion that his comments last night were a veiled threat to the United States.

"Tonight, just like all over the Bahamas, Bahamian men and women are coming to realise what it is to be Bahamian and why so many want to be Bahamian and why so many don't want to leave the Bahamas.

"And why so many who when we put 'um out come back and why so many feel that the only thing wrong with the Bahamas is you got too many Bahamians in it," he said.

"But so long as the Bahamas got plenty real Bahamians in it, the Bahamas is safe."

Nassau THE TRIBUNE in English 16 Apr 87 p 1

[Article by Anthony Forbes]

[Text]

PINERIDGE MP Cecil Wallace-Whitfield defended the American Ambassador in the House yesterday after she was verbally attacked at a PLP rally the night before.

When the business of the House of Assembly resumed yesterday afternoon, Mr Whitfield drew to Members' attention statements made by Prime Minister Pindling and Minister of Defence Loftus Roker and accused them of conducting the foreign affairs of the country in public.

He recalled that during the last meeting of the House of Assembly Cooper's Town MP Hubert Ingraham had referred to statements by Mr Roker at an April 2 press conference and then points raised by American Ambassador Mrs Carol Boyd Hallett in which she suggested that some of Mr Roker's statements were misleading.

Foreign Affairs Minister/Government leader in the House Clement Maynard promised that an investigation would be made and the facts brought out because it is not proper for the country's foreign relations to be conducted in public.

Up to yesterday afternoon, said Mr Maynard, the investigation was still being continued "and when I am able to make a statement I will do so.

"I am concerned because this morning's news report gave information that the Prime Minister was castigating the United States ambassador," said Mr Whitfield. "He was conducting the foreign affairs of the Bahamas in public at a public meeting and he was making some aspersions about the

Government of the United States."

Mr Whitfield said he would have expected that Mr Maynard would bring those facts to Parliament so Parliament can be apprised of what is taking place in foreign relations.

Mr Roker, he said, "was also carrying on this war against the Ambassador of the United States at this public rally."

He said he was perturbed because there were two Cabinet Ministers doing what the Minister of Foreign Affairs told Parliament ought not to happen

[word indistinct] discussing the Bahamas' foreign affairs in public.

"There is in our system collective responsibility and the Minister of Foreign Affairs when he speaks, he speaks for the Government. When the Prime Minister speaks, he speaks for the Government," said Mr Whitfield.

"I expect that the Minister of Foreign Affairs is going to tell us today that he will see to it that the Prime Minister desists from this terrible course of conduct of conducting the foreign affairs of our country in public because this is not doing our country any good and it is wrong for the Prime Minister and the Minister of National Security to conduct our foreign affairs in public.

"It seems that these two senior Ministers representing the Government break the rules with impunity," said Mr Whitfield. "We have to keep reminding the Cabinet that the Cabinet is responsible to Parliament because it is from this body (Parliament) they are in fact chosen to conduct the affairs of this country."



Cooper's Town MP Hubert Ingraham said he was "shocked" yesterday morning when he read that the Minister of National Security "may have compromised an undercover operation pursuant to drug trafficking interdiction between the Government of the United States and the Government of the Bahamas."

He said that law enforcement agents have to deal with criminals and drug dealers to get information from them.

The apparent fear of the Government, characterised by Prime Minister Pindling's assertions on Tuesday night, concerns "some devastating information coming out in certain quarters in the United States concerning the certification or decertification of the Bahamas."

"I don't want the relationship between the Bahamas and the United States to deteriorate," said Mr Ingraham.

House Speaker Sir Clifford Darling said it is against policy in the Bahamas for Parliament to debate friendly nations. He said, however, that he had no jurisdiction over what is said outside the House.

"I am not responsible for what is said on a public platform," said Sir Clifford. "If honourable Members want to debate that they can put it on the agenda."

Ann's Town MP Arthur Hanna said there is a rule of the House that Members ought not attack the heads of government of friendly neighbours.

Mr Whitfield recalled that United States Ambassador Hallett made a statement about the Minister of National Security misleading the country.

The Prime Minister of Tuesday night was saying that that was not so and Mr Roker had all the facts to back up what he said. "I would have expected that as Minister of Foreign Affairs, living up to your promise, you would bring these facts here (to Parliament)," said Mr Whitfield. "You now say you are still in the process of investigating when the Prime Minister was telling his party supporters that he has the information, and if he has it you ought to be in a position to share the information with Parliament."

Said Mr Maynard: "I have said to the Opposition before that I would withhold nothing from them."

## Further FNM Reaction

Nassau THE TRIBUNE in English 22 Apr 87 pp 1, 11

[Article by Alexis Wallace]

[Text]

**PINDLING** and Roker's "hate America campaign" could lead to the Bahamas' economic collapse by the eradication of its main source of income - tourism.

This was the message delivered to over 1,500 FNM supporters at a Christie Park rally last night, when several speakers made it clear that they opposed Government's arrest of two DEA informants.

Speakers, including FNM Leader Kendal Isaacs, strongly objected to remarks made at an April 14th PLP rally when Prime Minister Pindling said that "the time would come when it would boil down to the case of whether you are for the Bahamas or not."

The Prime Minister, backing up his National Security Minister, Loftus Roker, said that "talking fool is a very dangerous and serious thing." He said Loftus Roker had misled no one.

Sir Lynden was directing his remarks to a statement made by American Ambassador Carol Boyd Hallet in defense of her country after Mr Roker had made statements that were considered out of context and misleading.

Twenty-four hours before the FNM rally rocks, bottles, gun fire and a hostile mob prevented US and Bahamian authorities from arresting a suspected drug smuggler who crashed landed his aircraft on Freeport's Taino Beach. The suspected smuggler - who is believed to have had a companion - disappeared into the crowd. Gun shots shattered the windscreen of the helicopter that had flown in to rescue the law enforcement agents who were under attack.

Blue Hills MP Arthur Foulkes last night said that this latest incident had only worsened the situation now existing between the Bahamas and America.

"I saw something tonight that disturbed me very seriously. Tonight on NBC they carried a report of the shooting of the helicopter in Grand Bahama.

"Now that was a very serious matter, but we don't know yet what all the facts are, so we are not going to rush to any conclusion or judgment," he said.

"But, we do know this that the Americans are very, very angry at this Government and that incident does nothing to alleviate the situation.

"Tonight millions of Americans were told that in the Bahamas the Government is holding two DEA agents at the prison and that the State Department of the United States and the Attorney General, Mr Meese, of the US and members of the Senate in the US have asked this Government please to release those men because they were working undercover.

"You know what undercover means. A child or anybody who watches TV knows what that means, we learn all about that from Mission Impossible.

"But, the Bahamas Government, according to NBC, sent back the reply to the Americans that they would not release the two men and in fact they are going to bring them to trial in three months.

"Every Bahamian must know that this sinking ship called the PLP is now taking us into some very, very dangerous quarters. You remember when we held the demonstration on Bay



Street and the PLP straw vendors say, 'they holdin' up the tourist business'?

"Well, what you think gonna happen when this Government holds two Americans, officials of the US, who are fighting the drug runners by workin' undercover what do you think America is gonna say about that?

"You think Americans is gonna jump on them planes and say let we go look see who these boys is in jail?

"When I say that the 'ship' is taking us into serious waters I'm not just talking about the Government, or the PLP, I talkin' about this nation, you see because we couldn't survive for a matter of months, this economy of ours would collapse overnight if the Americans say stop them planes from comin' until they release them two fellows.

"Now I ask you beloved straw vendors out in the straw market, who allowed Pindling to fool you so much, what you say now about tourism and the FNM and Pindling?

"And if the tourists stop coming those hotels would close down overnight, all of the hotel workers would be out of jobs but, not only them, those who depend on them would have to close their restaurants, the shops on Bay Street will close and we will have economic chaos in this country.

"Papa Doc strikes again! Papa Doc strikes again!" shouted a young man in the crowd.

"Who now is trying to wreck the country. Those who demonstrate for their rights, or those who imprison law officers of another country?" asked the Blue Hills MP.

"You know what the problem is? I believe the overall

problem is drugs, that's the overall problem, that has been the agitating factor in our relationship with the United States for years now.

"Because they know that we have corrupt officials and they know that there are corrupt officials in the Government and they know that one of Pindling's Ministers was found by the Commission of Inquiry to be a partner in a business with a Mafia."

Mr Foulkes said some PLPs did not want to open their eyes and see this "but the whole world knows that. It is astonishing that you can still go around and find PLPs, there should be no PLPs left in this country; they should all be FNMs."

"I believe that one big factor in the prison incident is Loftus Roker. Now Loftus Roker obviously believes that he is a saint with his halo shining and that everybody else in the world is a crook.

"Roker was annoyed because the American Ambassador made a statement, after a public meeting at which Roker spoke, and she sought very gently to say to Mr Roker, what you said there wasn't quite right.

"Now, she was praising him all along you know, saying 'we got good co-operation' and she praised him in that very same statement too. But, the thing that burned Loftus Roker was the idea of anybody tellin' him that he wrong about something," said Mr Foulkes.

"It is relatively easy to get along, our situation being what it is, with the United States, we don't have to lock up their people and threaten them and carry on, which will only put us in trouble.

"What we need most of all is an honest government headed by an honest Bahamian who has integrity, who has credibility, who when he sits down around the table to deal with our American friends will not be told how come you spent eight times more money than you earned."

## Isaacs Remarks

Nassau THE TRIBUNE in English 23 Apr 87 pp 1, 4

[Article by Anthony Forbes]

[Text] Freeport, Grand Bahama--The unfortunate public disavowal between the Minister of National Security and the US Ambassador of each other's position on the drug interdiction programme can only harm the drug fight and seriously damage diplomatic relations with the United States.

Addressing the Northern Region Convention of the FNM last night, official Opposition leader Kendal Isaacs warned Government to be careful that its pronouncement made for local political advantages does not damage necessary international alliances, treaties, agreements and commitments.

Mr Isaacs said that a Free National Movement government will ensure that there is no diplomatic mess up in its administration of the external affairs of the Bahamas.

During his address to over 2,000 supporters at the Camelot Room of the Bahamas Princess and Country Club, Mr Isaacs touched briefly on the row which has flared between the Minister and the Ambassador which has flared in the newspaper headlines recently.

The Opposition leader said that as the next government the FNM should deal with the matter although some of his parliamentary colleagues have already brought it up in the House of Assembly.

According to Mr Isaacs, there appears to be an altercation between the Government of the Bahamas and the Government of the United States.

"On the face of it that is a serious matter. At the root of it that is a deadly serious matter," Mr Isaacs said.

"Now it is the view of the Free National Movement that the question of drug interdic-

tion is one of the most serious this country has ever faced, and that success, if we are really serious, can come about only through full and proper collaboration with the United States, which has a heavy stake in the matter since most of the drugs passing through the Bahamas are earmarked for America," Mr Isaacs said.

Mr Isaacs said that it is unfortunate that there should be any public disavowal between the Minister of National Security and the American Ambassador of each other's position over so vital an issue.

"But that is what has happened and the result can only harm the drug fight and, more seriously damage diplomatic relations with our powerful neighbour to the north," the Opposition leader said.

"We in the Free National Movement state categorically

that we agree this country should be administered by Bahamians in a Bahamian government, and that no one outside this country should be able to dictate what our posture and our policies ought to be," he said.

"However, we also feel that as a member of the international body of nations a member of Interpol, a member of the Commonwealth and a member of the United Nations, the Bahamas has some broad international responsibilities and commitments, and that we ought to be careful that our pronouncements made for local political advantage do not damage necessary international alliances, treaties, agreements and commitments," he said.

Mr Isaacs said he has no doubt that Prime Minister Lynden Pindling will exploit this unfortunate situation to the hilt in order to distract attention from corruption and to

exploit the Bahamian love and patriotism for their country.

"We will not allow him to fool the people again," Mr Isaacs pledged.

"The Free National Movement, when we become the government very shortly, will ensure that there is no such diplomatic mess-up in our administration of the external affairs of the Bahamas," he said.

"We will state our foreign policy precisely and definitely, and we will honour those principles every step of the way, asking only that the other side act commensurately, and that we be left alone to develop the Bahamas with fair economic, social and cultural foreign co-operation, and most importantly, that no other country ever seek to threaten our Bahamian sovereignty," Mr Isaacs said.

"We will make that point fearlessly and firmly with the support of the Bahamian people," Mr Isaacs said.

#### Beach Attack on Agents

Nassau THE TRIBUNE in English 22 Apr 87 p 1

[Excerpts] Miami (AP)--A U.S. helicopter damaged by gunfire Monday returned to its home base Tuesday as Bahamian officials investigated an attack on drug agents checking the crash of a plane suspected of marijuana smuggling.

Six U.S. and Bahamian drug agents suffered minor bruises or cuts Monday night when at least five shots were fired at a U.S. Customs Service helicopter from a crowd of rock and bottle-throwing beachgoers several miles south of Freeport, on Grand Bahama Island.

One bullet cracked the windshield in front of the pilot. Another broke a six-inch hole in a side window. Bahamian officers fired shots in the air to restore order, and the helicopter flew away safely with the agents.

Two suspected smugglers escaped on the beach, but two Florida men were arrested in Key Largo after a boat entered port that matched the description of one spotted at sea trying to meet the plane.

The incident began when Customs radar spotted a suspect Piper Aztec flying low over the Bahamas. Radar indicated the Piper dropped 12 bales about 40 miles south of Bimini in the Bahamas, and a Coast Guard helicopter later recovered one bale of marijuana, Garland said.

Meanwhile, the Blackhawk helicopter and two other Customs aircraft saw the suspected smuggler "flying low-level over the city of Freeport, doing real steep banks and climbs," said co-pilot Mark Harrison.

Two people fled the plane, and the Customs helicopter then dropped two Customs agents, two Drug Enforcement Administration agents and the two Bahamian officers on the beach, Garland said. The six-man crew was soon surrounded by a crowd of about 100 people.

The flight was part of the 10-month-old Operation Bandit, which stations U.S. and Bahamian officers together in a task force at the air base, ready to scramble when radar detects suspicious flights.

Agents doubted the beachgoers had any connection with the ditched plane.

#### Pindling on Beach Incident

Nassau THE TRIBUNE in English 23 Apr 87 pp 1, 4

[Article by Alexis Wallace]

[Excerpt]

PRIME MINISTER Lynden Pindling last night blamed the FNM for the "hostile" mob that protected a suspected drug smuggler from arrest at Taino Beach, Freeport Monday.

At a Carmichael PLP rally last night to endorse the PLP candidate for the area, Sir Lynden said that when the suspected smuggler crashed his plane on Taino Beach the Easter Monday picnickers were FNM.

Sir Lynden said that judging by the perfect ditching of the aircraft the pilot had to have known what he was doing when he crashed his plane on the beach where the FNMs were.

"In Grand Bahama on Monday they had somethin' called the Jamma Jamboree, several thousand people were at Bahamia Beach and about 6:45pm somebody say, look, and when we looked up we saw a small plane, two or three helicopters and over flying above them was a jet with a radar screen on top.

"Some one say well I'll be doggone look like the boys coming home in Grand Bahama today, that's one of them things right now.

"And there they were the helicopters on top and around this smaller plane trying to bring it down and the jet overhead which was obviously photographing the whole thing.

"7:30 came, 8:00 and you know it's not dark now at 8:00 there was still some light in the sky and they was still up there. I say boy when push come to the shove soon now something gonna happen.

"Well nobody could see anything and so I went home and changed to go back down to the Jamboree and later on almost

10pm I heard what happened. They say the plane came down." said the Prime Minister.

"Now what I didn't tell you before was that a few miles up the beach the FNM also had a little cook-out, couple hundred people, and somehow, now I don't know, I don't know what was going down, all I know was that the plane found where they were.

"I didn't see the plane till the next morning when I was coming back to Nassau. The pilot flew in his 'right direction' and over on the left hand side, he say oh my Lord look dat and man you won't believe it.

"The most miraculous, perfectly executed landing you ever want to see. It's the first time I ever see a plane land on the water and sea at the same time. The tail of the plane was on the beach and the nose of the plane was in the water.

"Now only an expert could have bring a plane down like that, he must have been flying in Viet Nam through more thick and thin than anybody else. Brought it right down," said the Prime Minister.

"I thought I'd better let you know that in case you thought anybody who threw rocks or bottles or any other kind of thing at that plane, or at the helicopter, or at the police, or at the Strike Force, or at the DEA, or at Customs or at anybody, was any PLP.

"It ain't true," he said. "And if anybody tell you that, it's a lie. I just wanted to make sure that you got the story straight."

Sir Lynden said that it would have been hell if that plane came down on Bahamia Beach (where he was at the time). I wouldn't have been able to explain that anymore than the man in the moon."

#### Adderley on U.S. Operations

Nassau THE TRIBUNE in English 23 Apr 87 pp 1, 4

[Article by Gladstone Thurston]

[Excerpts] Attorney General Paul Adderley today discontinued prosecutions against two DEA informants and another person arrested at San Andros on April 9 when 650lbs of marijuana was found on board their plane.

"I am satisfied that it is in the public's interest that these informants ought to be released," said Mr Adderley today. "Having regard to the fact that their crime is no less than the third man, he too is being released for return to the United States to be dealt with there.

"In my view each is equally guilty of the relevant offences under Bahamian law and are liable to the same punishment if tried and convicted."

Addressing a press conference this afternoon, Mr Adderley said he took that "unprecedented course" as Attorney General because he had to deal with a matter which had both local and foreign significance and implications for all those persons engaged in the war against drugs.

The three men landed at San Andros airport at 12:20 am. Upon arrest, the three admitted flying from Jamaica but their plane had run out of fuel. They were all charged on April 9 with drug trafficking offences for which each could be imprisoned for a total of five years and fined a total of \$110,000, Mr Adderley said.



On April 10, Mr Adderley said, he signed a fiat authorising that prosecution to be commenced in Nassau before a magistrate here instead of before a Commissioner at Andros.

The US Government, he said, has admitted that neither the Bahamas Government nor any of its officials had been advised of this operation, nor was any permission sought for a landing if this became necessary, said Mr Adderley.

In taking all matters into consideration, Mr Adderley said he had to refer to certain previous acts of "such covert illegalities" in the Bahamas, and in particular certain comments in the report of the Commission of Inquiry.

He said the report stated that the Commission was unable to deal adequately with the term of reference "to enquire into the nature, method, extent and effectiveness of law enforcement activities undertaken alone in the Bahamas by enforcement agencies of the United States" because "it is indeed unfortunate that the United States authorities did not see fit to make certain witnesses and specific information available to us."

Mr Adderley said that in spite of the "undeniable, uncontradictable documentary evidence" which he put before the Commission, they came to the conclusion that "although we appreciate that the trafficking developed through the Bahamas because of the market in the United States, we do not think that the United States enforcement agencies consented to or fostered the illegal operations."

"The Commission chose to believe Gruden (Peter Gruden, Special Agent-In-Charge, Florida) in spite of my own knowledge and the US sourced evidence which I had produced," said Mr Adderley. "I could never accept that conclusion which I knew to be patently wrong.

"So I was at the time content to await additional proof of operations through or over the Bahamas for which the Bahamas is constantly defamed and blamed and officials wrongly accused of corruption and/or complicity in this drug trafficking, much of which I have always believed to be US agency inspired albeit for good motives. I did not have to wait too long for the first proof which I needed after the Commission Report."

In August 1984, said Mr Adderley, an aircraft with two DEA informants on board and another drug trafficker landed at Matthew Town, Inagua with 758lbs of cocaine. They were arrested and charged.

"No prior permission had been given for this operation and contrary to what I know had been told to Attorney General (of the United States) Edwin Meese by their officials, the Commissioner of Police nor any Minister had given permission for landing," said Mr Adderley. "Indeed, the Commissioner had informed them that if any such landing took place those involved would be arrested and charged and this was known to their Special Agent-in-Charge in Florida.

"Subsequently, the two informants were released after I had been requested to do so by Attorney General Meese who informed me that he considered their co-operation with the DEA of major concern to him and if they were tried it could put their lives in serious jeopardy.

"There is no doubt in my mind whatsoever that no Bahamian permission was given for that covert operation and that those persons involved had committed criminal offences against Bahamian law," said Mr Adderley.

Mr Adderley said that "all such persons who engage in such activities commit criminal offences under Bahamian law and remain liable for prosecution whenever arrested."

The aircraft in that matter has not yet been released as it will be for the court to determine to whom it will be released, as there is some confusion over who is the rightful owner.

"That case ought under normal circumstances to have been sufficient to satisfy that that type of operation which has been going on in and over the Bahamas for years had not ceased," said Mr Adderley. "But my experience with the Commission of Inquiry was sufficient to cause me to wait for another such occasion which I was convinced would occur; and so it did on April 9 at San Andros.

"Having regard to the formal request of the United States Government that their informants be released, I have therefore today discontinued the prosecutions against the three accused drug traffickers who will be returned to the United States. The aircraft will not be released until its ownership has been investigated further."

#### Maynard Attack on U.S.

Nassau THE TRIBUNE in English 27 Apr 87 pp 1, 4, 7

[Article by Athena Damianos]

[Text] American Ambassador Carol Hallett was criticised for making "undiplomatic remarks" by Minister of Foreign Affairs Clement Maynard in the House of Assembly this morning.

As soon as the sitting started, Mr Maynard said that he would be making a statement between 11.30 and 11.45 am at the latest, which would mean interrupting debate on a Resolution thanking the Governor General for his Speech from the Throne.



-- This unusual step required the unanimous consent of the House.

After St Barnabas MP Matthew Rose moved the Resolution, Mr Maynard called for a 10-minute suspension. Upon resuming, he was given unanimous consent to proceed, halting debate on the Speech from the Throne. He said that his statement was bound to be controversial.

Mr Maynard said that the American Embassy's recent narcotics report on the Bahamas is inconsistent with statements made by the US President, Vice-President and Attorney General from time to time on the unheralded and outstanding cooperation by the Bahamas in all areas of Bahamian-US relations, particularly in the area of drug interdiction.

He regarded the report as "unfair reporting."

Mr Maynard said that National Security Minister Loftus Roker was speaking for the Government when he appeared at a news conference earlier in the month to respond to the matter.

"Consequently, the Government was disturbed to see criticisms in the Press of a Government Minister by the Ambassador of a friendly nation. Such criticism is not consistent with diplomatic and State practice," Mr Maynard said.

He said that the Bahamas Government is a proponent of constructive diplomacy.

However, he reiterated that the "strong traditional and friendly relations" between the US and Bahamas will continue "in all areas."

On the arrest of two DEA agents at San Andros just after midnight on April 9, Mr Maynard claimed that the informants were released at the "earliest" opportunity at the request of the US Government. They were not released until April 23 following more than one week of demands by top level Washington officials.

Mr Maynard said that the Embassy did not make contact with his Ministry until late afternoon on April 10.

"Since that was late afternoon the (diplomatic) note arrived on Monday morning, April 13," he said.

Mr Maynard said that an "investigation" had to be carried out. He said that the undercover operation was not a pre-arranged situation. The informants and a drug trafficker were forced to land in the Bahamas because of a life threatening fuel crisis.

He said that the US Press was saying what a terrible country the Bahamas was; how it was jeopardizing the lives of trafficker/informants.

"But the Bahamas decided to assist the US Government and the men were released at the earliest opportunity," Mr Maynard said.

On his criticism of Mrs Hallet, Mr Maynard made the following statement:

Mr Speaker, Members will recall that on April 8, I gave an undertaking to report to this Honourable House on the status of relations between The Bahamas and the United States of America and specifically with respect to the article in the Tribune of April 7, 1987, entitled, "US Ambassador says: Roker misled public."

The genesis of this "media diplomacy" was the submission by the Embassy of the United States of excerpts of two United States Country Reports on Narcotics and Human Rights by Diplomatic Notes. While Government appreciates the fact that United States law mandates the Embassy to compile these Reports, nevertheless we query the motives of the Embassy in issuing copies of these Reports to the press simultaneously with sending them to the Ministry of Foreign Affairs.

My ministry received the section of the 1986 Country Report on Human Rights Practices dealing with The Bahamas under cover of United States diplomatic Note No 93, dated March 9, 1987. The Government immediately responded to the United States' Note in an attempt to correct a number of inaccuracies and misrepresentations contained in this Report.

Mr Speaker, The Bahamas stands on its strong human rights record. Members will be aware that the United Nations Declaration of Human Rights (1948) set forth the basic civil, economic, political and social rights and freedoms of every person. The Declaration is meant to serve "as a Universal standard of achievement for all peoples and all nations." The Bahamas as a signatory to that Declaration is proud of its record in human rights. We know of no record that is better. None.

Mr Speaker, the Government was more than a little surprised with the conclusions arrived at by the United States Embassy in their Narcotics Report on The Bahamas. The Government was more surprised by the contention of the lack of cooperation in drug interdiction matters because of the following reasons:

1. The Bahamas has never been a producer of narcotic drugs.

2. It is because of its unique geographical location, between the producer countries and the major consumer country, that The Bahamas has become an unwilling transit state for illicit drugs destined for the United States of America.

3. The record will show that as early as 1981, the Government of The Bahamas made known to the Government of the United States of America, that given its limited resources there were inherent difficulties in effectively policing an archipelago comprising some 2,900 islands, rocks and cays.

4. The Government of The Bahamas has consistently recorded its commitment to co-operate with the Government of the United States of America in a joint effort to stem the flow of illegal drugs.

5. It is a matter of record that, as early as July 1975, the Gov-

ernment of The Bahamas actively co-operated with the Government of the United States of America in specific efforts and joint operations to prevent illegal trafficking in drugs.

6. The Government of The Bahamas created a Ministry of National Security in 1984 and placed all of its enforcement agencies under that portfolio.

7. The Minister of National Security was given a mandate by the Government to take all necessary and effective steps to stamp out narcotics-related corruption and further seek to rid The Bahamas of the scourge of drug trafficking.

8. The Government of The Bahamas has gone over to the maximum instant in forging closer co-operation between Bahamian and United States law enforcement officials in the fight against drug trafficking.

9. The Bahamas was the first country to volunteer to co-operate with the Government of the United States in joint operations in the area of drug interdiction.

10. The Bahamas was not only the first country to volunteer, but also the first country to implement far reaching joint efforts with the United States of America to curb the evils of drug trafficking.

11. With the commencement of OPBAT in 1982, The Bahamas became the first country in the Region to volunteer its co-operation with the Government of the United States in joint operations in the area of drug interdiction.

Examples of further co-operation include Blue Lightning, Operation Mop up, operations Hat Trick II and III and Project Cariball.

12. Throughout 1985 and 1986 Multi-agency US/Bahamas Co-operative efforts realized substantial successes against the illegal drug traffick network operating in The Bahamas. One such effort, operation Blue Lightning, resulted in significant seizures of illicit drugs, vessels and drugs, vessels and drug traffickers in April, 1985. A similar, but ongo-

ing bilateral multi-agency effort - 'Operation BAT' continues to interdict and disrupt this illegal narcotics network. The success of these joint efforts have been attested to by senior officials of the United States Customs Service, Coast Guard, and Drug Enforcement Agency before several Congressional Committees investigating drug trafficking.

13. The Bahamas' record of co-operation with United States Agencies in joint anti-drug trafficking programmes is exemplary. In September, 1986, The Bahamas became the first country to agree to the stationing of members of its police force in the United States to facilitate their participation in hot pursuit flights originating from the United States and designed to facilitate the apprehension of drug traffickers who enter The Bahamas to avoid detection by United States authorities.

14. The Embassy's Narcotics Report is inconsistent with the statements made by the President, Vice-President and Attorney-General of the United States from time to time on the unheralded and outstanding levels of co-operation by The Bahamas in all areas of Bahamian-United States, relations, particularly in the area of drug interdiction.

Mr Speaker, in light of the above, the Government of The Bahamas regarded the Report as unfair reporting, which was given widespread circulation in both the national and international press. Thus, it became necessary for the Government to respond. When the Minister of National Security appeared at a news conference earlier this month, he was speaking for the Government of The Bahamas. Consequently, the Government was disturbed to see criticisms in the press of a Government Minister by the Ambassador of a friendly nation. Such criticism is not consistent with diplomatic and State practice.

Mr Speaker, it is the Government's contention that if diplomacy is carried on under the public eye or conducted in the media, it quickly turns into a travesty of efficient procedure and runs the risk of betraying any constructive purpose for which it may have been conceived. By its nature, diplomacy must be confidential. If exhibited, it degenerates into polemic; and this Mr Speaker, is not diplomacy. The Government of The Bahamas is a proponent of constructive diplomacy. The Government is a strong advocate of the use of the proper and correct diplomatic channels. Diplomacy must not and should not be conducted via the media. The Government of The Bahamas has requested that the proper diplomatic channels be observed by all Foreign diplomatic Missions, accredited to The Bahamas, including the mission of the United States.

Mr Speaker I reiterate, the strong traditional and friendly relations existing between The Bahamas and the United States will continue in all areas. The Government of The Bahamas will not allow such good relations to be impeded by some unfortunate lapses whereby matters traditionally confined to diplomatic channels have been permitted to surface in the media. The government would wish to further confirm that the Government of The Bahamas and the United States and will seek the continued co-operation and assistance of the United States in the war against drug trafficking. To do less would mean certain defeat. It is the Government's belief that through good faith and trust both nations can work resolutely to rid themselves of the scourge of drug trafficking.

## Roker Reply to PLP Critics

Nassau THE TRIBUNE in English 27 Apr 87 p 4

[Article by Alexis Wallace]

[Text]

SOME former PLP members (or Cabinet Ministers) that have left the Government and are now lambasting it talking about how Minister Roker talks about corruption, were corrupt when they were in the PLP.

At a PLP rally April 14 National Security Minister Loftus Roker took strong exception to many of the critics of the PLP.

Mr Roker called the recent NBC interview with Louis "Kojak" Garcia a lie because, "Kojak was unable to bribe anybody to take him off the stop list of entry here and only politicians can do that."

He said that if, as was said on the NBC news broadcast, drug trafficking is allowed by Bahamian politicians, "then you're talking about me and nobody in their right mind could say that I have anything to do with drug trafficking."

Saying that the record of his public life was a clean one, the Minister threw out a challenge: "If you know something about me, you better talk it because you can't blackmail me."

Mr Roker said when he travels abroad he does not care what people say about Bahamians and when people abroad ask him where he is from he proudly tells them and invites them to his country.

"There are more honest men and women in the PLP than in any other political party in the Bahamas," said Mr Roker. "Now, of course, having said that, don't expect me when I see you doing wrong to cover up for you. I wouldn't cover up for my brother."

"Now we have to be careful because the very fella who is coming and telling you about corruption in the PLP was a corrupt fellow when he was in the PLP."

"In 1974, when I addressed the PLP Convention at the then Balmoral Beach hotel, when I talked about corruption that's all people remember. But, I ad-

ressed my remarks at the time, I have the speech, I addressed my remarks to the Prime Minister, at the time.

"And I said to him, my brother Prime Minister, there is corruption in the PLP and you have the power to stamp it out and I and others will assist you, that's what I said."

"And some of the people I was talking about then have since left the PLP and those same people are now talking about how I talk about corruption, rocking the PLP. Yes, I was talking about them," said Mr Roker.

"You see, ladies and gentlemen, I promised myself one thing when I entered public life, that I will never allow myself to be placed in a position where anyone could blackmail me."

"And if you know something about me, you better talk it, you better talk it, because you can't blackmail me. I am happy that I have had the opportunity to serve the Bahamian people," he said.

"The one thing that the PLPs must be careful of, be careful that you do not condone evil when you see it and recognise it as evil."

"If you do that don't ask me to do it because this fellow you see standing here, if I recognise it as evil I would not do it. Now I may do it if I don't know, but if I recognise it as evil I will not do it," said Mr Roker.

"If the Prime Minister do something wrong, I want you lock him up too!" shouted a young man in jeans and high top Converse as he danced around the meeting. This drew a mixed reaction of snickers and anger from the crowd.

"For the moment all I will tell you is this, that whatever they say, you know there were people who criticised us when it became unpopular to keep Robert Vesco in this country."

They criticised us and they said we were keeping Robert Vesco in this country and the same fellow who was telling you that was writing letters to the Government saying that Robert Vesco is a fit and proper person to be a permanent resident of the Bahamas."

Mr Roker said that he had this letter. "And he didn't write one letter you know, he wrote more than one and he would now...they would now tell you that we were corrupt for keeping Robert Vesco here."

"Well, how did Robert Vesco get out of the Bahamas? The Bahamas Government asked him to leave."

(However, up to January 29, 1981, in a letter to one of Vesco's lawyers from the Cabinet Office, Cabinet Secretary Margaret McDonald stated that she had been "directed" to inform him that no decision had been made to put Vesco's name "on the Restricted List or to restrict his movements in and out of the Bahamas."

(In a speech at a PLP rally last week Attorney General Paul Adderley tried to discredit lawyer Orville Turnquest for applying for permanent residence for Vesco in 1978. Mr Adderley said it was known throughout the world at that time (1978) that Vesco was one of the most "notorious fugitives" from justice in the United States and that he was a "possible financier of drug trafficking in the Caribbean."

(But on December 16, 1983, in testifying before the Commission of Inquiry Prime Minister Pindling gave the reason for Vesco's deportation from the Bahamas:

("I do not think that he (Vesco) is America's most notorious fugitive now in 1983, although some American newspapers might describe him as that...

("It (deportation order) was not because we believe that Mr Vesco was involved in any illegal business in the Bahamas. I had no evidence or information about that. Vesco was expelled from the Bahamas to avoid a hassle with US officials).

"When I looked the other night and saw Louis Garcia/Kojak on TV talking about how you could bribe politicians today to bring drugs through the

Bahamas, now first of all, ladies and gentlemen, let me explain something that I tried to explain before, the only politician responsible for the agencies of the Government responsible for fighting drug trafficking in the Bahamas is A Loftus Roker, me, and nobody - FNM, PLP or nobody - could ever tell you that I took any bribe to do anything," Mr Roker told the crowd.

"Now Kojak tells you, here is the TV audience - I could imagine some Bahamians thinking that was great - tells some TV audience that you can bribe some politicians to bring drugs through the Bahamas that is a lie," said Mr Roker.

"That is a double lie, the point is Kojak couldn't bribe anybody to get off the stop list and only politicians could take him off the stop list. All that he tried he couldn't get off the stop list.

"So, how come he could bribe you to carry drugs through the Bahamas and he can't get off the stop list?

"That is the problem you see, if drug trafficking is allowed by politicians, you're talking about me and ain't nobody in his right mind, in the Bahamas or outside the Bahamas, American, English or Bahamian or anywhere could say that I have anything at all to do with drug trafficking.

"Now, I am talking for myself, and since I was responsible for the Ministry of National Security no one in the Government has ever said anything to me about doing anything about drug trafficking," said Mr Roker.

"My instructions from the Prime Minister, when he gave me that Ministry was to clean up the Bahamas and stop drug trafficking, and he has never, since 1984, he has never said to me 'Loftus what are you doing about drug trafficking?' He never discussed drug trafficking with me since 1984.

"Now, if the Prime Minister never did it imagine anybody else coming to me about that. So don't let us now be ashamed as PLPs we have a lot of problems and we have to clear them up," said Mr Roker.



## Roker's Defense

Nassau THE TRIBUNE in English 29 Apr 87 p 4

[Article by Gladstone Thurston]

[Text]

THE Bahamas cannot afford to be unfriendly to the United States no matter what position the United States takes on matters of mutual concern, National Security Minister Loftus Roker told Parliament.

"The well being of the Bahamas dictates this," said Mr Roker. "We simply cannot afford to be against the United States."

A packed gallery heard Mr Roker defend his national security policy and the measures he took, in co operation with the United States, to rid the Bahamas of drug trafficking.

He referred to a press conference he hosted earlier this month following an NBC report labelling the Bahamas as "cocaine islands", and the US Senate Committee's threat to decertify the Bahamas.

Mr Roker said he was amazed that the Senate Committee with the ability to get all the information which it required "sought fit to unleash an attack upon a friendly country."

He pointed out that before he decided on the press conference, he met with senior United States officials and drew their attention to what he regarded as misleading information in the NBC report.

"I asked for clarification so far as it related to the Bahamas co-operating on drug trafficking matters," said Mr Roker. "Nothing which I regarded as satisfactory was forthcoming."

He said people wonder why he keeps referring to October 1984 when he was appointed Minister of National Security.

"It is not to suggest as some people may say that I wanted to say that something happened only when I became Minister of National Security," said Mr Roker. "The report of the Commission of Inquiry was made shortly after I became Minister of National Security."

"They made certain recommendations and the recommendations made with reference to

law enforcement agencies fell within my sphere and therefore I was charged with the responsibility of carrying out those recommendations, even though it must be understood that I carried them out on behalf of the Bahamas government."

Referring to the press statement he made during the April 2 press conference, Mr Roker said: "First I want to say that it is untrue, categorically untrue that there has only been co-operation from the Bahamas government with that of the United States on the question of the interdiction of drug traffickers within the last four months."

"I have been Minister since October 1984 and since I have been here, there has been the utmost good faith and co-operation on our part to help stem the flow of drugs through the Bahamas to the United States."

Mr Roker said he took strong issue particularly with those remarks which suggest that the Bahamas' co-operation has only been recent.

"The Bahamas cannot afford to be unfriendly to the United States," he said. "No matter what position the United States takes on matters of mutual concern or otherwise, the Bahamas cannot afford to be unfriendly to the United States. The well being of the Bahamas dictates this. We simply cannot afford to be against the United States."

"What I do want to say, however, is the fact that I am a friend of the United States does not mean that I must be silent or uncritical when something wrong is done."

"I say all this as a friend of the United States. I want to make this quite clear, I consider myself and the Bahamas friends of the United States. But I think that friends do have a responsibility, and that is to uphold and give right where right is due. No one who wants

to be entirely fair to us can say that we have not been trying as hard as we can.

"The facts, I believe will show unequivocally that we have done all that we can to stop the flow of drugs, given our resources, and at the expense of domestic support we have moved to cement our ties and co-operation with the government of the United States."

Mr Roker recalled how unpopular the Government's decision was to allow the searching of vessels in Bahamian waters by joint patrols of Bahamian and American teams.

"Domestic critics said that I was so pro-American that I was selling the country out to the Americans," said Mr Roker. "They said that I was allowing the Americans to carry guns in the Bahamas, and that this was frightening the tourist population. Some of them went further to say that I was surrendering the sovereignty of the Bahamas which I had fought so hard for."

Mr Roker said that at the end of the day the Bahamas and the United States must continue to work together to rid both countries of the terrible problems of

drug abuse and illegal immigration.

"I reiterate, the Bahamas is not against the United States," said Mr Roker. "We cannot afford to be. That is what every member of this House believes. That is what I stand for today. Yet we have Bahamians who would try to say otherwise."

Mr Roker recalled that when the Bahamas held its first joint operation with the United States and a helicopter carrying Bahamians and United States drug enforcement agents landed in George Town, Exuma, there was a front page article in the newspaper claiming that not only were the Americans carrying guns but the helicopter blew down a fence and dust was flying in people's houses.

"Nevertheless, we carried on because we believe that it was in the interest of the Bahamian people," said Mr Roker. "I believe that if the Bahamian people do not find a way to stop the trafficking in illegal drugs, all of us, PLPs and FNMs, will very shortly rue the day we ever saw a dime which came from the sale of trafficking in drugs."

#### Roker on Commission Report

Nassau THE TRIBUNE in English 29 Apr 87 p 4

[Article by Gladstone Thurston]

[Text] Government accepted the report of the Commission of Inquiry "and I stand by that report," said National Security Minister Loftus Roker.

Addressing the House of Assembly Monday, Mr Roker also clarified the incident at Provo International Airport, Turks and Caicos Islands when Bahamian and American authorities landed there in hot pursuit of a suspected drug runner whose plane they thought they had chased and lost a week earlier.

While accepting the Commission of Inquiry's report on behalf of the Government, Mr Roker said "that does not mean that I agree with all that was in the report."

"I accept the total report including what is referred to as the Minority Report," Mr Roker told a hushed Parliament and a packed gallery. "We have a peculiar way of only taking out the portion that suits us. I don't want to discriminate against any portion."



He drew members' attention to that portion of the Commission's report which he said referred to a lack of respect for the sovereignty of the Bahamas and the United States.

The Commission, he said, referred to that in relation to an accusation that the Bahamas' banking secrecy law was frustrating their efforts in drug interdiction.

The Commission, he said, also criticised the lack of cooperation by the United States government in the Commission's proceedings.

Concerning the incident at the Provo Airport, Mr Roker said Government never knew until it received a protest note from the British government.

What happened, he said, was that a report was received that a plane flying towards the Bahamas was suspected of having drugs on board and the Strike Force and drug enforcement agents in Exuma should proceed to intercept this plane and take appropriate action.

It ended with Bahamian law enforcement officials and US DEA agents landing at Provo Airport and attempting to arrest the occupant of the plane who was Provo resident Ed Hegner.

"Fortunately for us we are friendly with Police Superintendent Dudley Lewis," he said. "He eventually persuaded the men not to make an arrest in Turks Island. (The lawmen) apologised and withdrew.

"The plane was searched and no drugs were found. In fact, the plane was not coming from the direction we were led to believe it was coming from. The plane was coming from South Florida and was in contact with Miami radio and Bahamas radio. No way it was coming from the area we were told they were coming from. I wonder what would have happened if there was drugs on that plane and a shooting incident had happened?"

"The British would have charged you with aggression," said Ann's Town MP Arthur Hanna.

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REACTIONS TO U.S., LONDON STORIES ON OFFICIAL LINKS TO DRUGS

Bannister Reply to Son's Charges

Nassau THE TRIBUNE in English 27 Apr 87 p 1

[Article by Athena Damianos]

[Text]

**GORMAN Bannister, son of the Prime Minister's close friend and confidant Everette Bannister, is to appear as a major witness in the US against accused Colombian drug kingpin Joe Leher.**

Gorman, 31-year-old "financial consultant" to his father, told The Sunday Times that he has first-hand knowledge of the complex, unofficial payments underpinning much of Bahamian society.

His testimony is regarded as so important that he has been placed under US Marshal protection.

The Sunday Times yesterday featured part of lengthy, tape-recorded interviews under the headline "Bahamas PM 'linked to vast scandal.'"

And NBC Nightly News reporter Brian Ross has also interviewed Gorman Bannister. NBC will broadcast a special feature of the interview this week.

This morning, Everette Bannister issued a statement over Radio Bahamas, saying that the report was incorrect in many instances and that his son is a "junkie." Further, he claimed that The Sunday Times obtained the report by "torturing" Gorman over his drug habit and that they paid him \$70,000 for it.

Gorman approached The Tribune last month. He wanted to sell his story to The Tribune. An American citizen, he said he wanted to start a new life in the

States. The Tribune does not pay for its stories. Neither, it was pointed out, do reputable newspapers abroad. Names were given to Gorman with a suggestion that a newspaper might help him make a new start in the States, for example by helping him find a job.

Gorman also told The Tribune of his belief that his father had been abandoned by Sir Lynden and his associates in the Prime Minister's attempt to clean up his image. He said his father was taking this badly.

On Thursday, March 26, Gorman took an Eastern flight to Miami to meet NBC newsmen Ira Silverman and Brian Ross. National Security Minister Loftus Roker was also on the plane. Mr Roker was on his way to Washington.

Gorman's testimony against Leher - who, for at least three years, was able to operate virtually undisturbed out of Norman's Cay, Exuma - is regarded as so important that from yesterday he started to receive round-the clock protection from US marshals. His whereabouts is secret, even from his mother.

"American authorities are also interested in the detail Gorman can provide about the Bahamas, where, by his account, high-level corruption is endemic and drugs, particularly cocaine, have a stranglehold on virtually every level of society," said The Sunday Times special "Insight" report.

Gorman claims that his father has distributed millions of dollars in "gifts" and "loans" to many of Prime Minister Lynden Pindling's associates, as well as to stalwart members of the P.L.P. and to senior officials in Government, the police force, customs and immigration.

But, overwhelmingly, to the Prime Minister, Gorman has alleged.

Sometimes the money would be paid in cash, Gorman told *The Sunday Times*. More often, it would go through Bannister's various business and private bank accounts. Gorman's job was to balance the various chequebooks.

He identified dozens of politicians, officials and "cronies" who he claimed received payouts from the enormous slush funds which Bannister, using his influence, created.

According to the younger Bannister the money to fuel those funds came from legitimate businessmen who needed government consent to operate in the Bahamas; from fugitives such as former president of Nicaragua, Anastasio Somoza and American financier Robert Vesco and from organised crime figures unsuccessfully seeking licences to operate casinos, *The Times* reported.

Gorman Bannister's allegations can only add to the problems facing Pindling, *The Sunday Times* said.

"When Gorman, who had become a cocaine addict, began stealing money from one of his father's accounts by forging cheques and eventually withdrew a total of \$20,000, he was confronted by his father and told: 'You don't realize the trouble you're in. That was the prime minister's money,'" reported *The Sunday Times*.

Gorman, in fact, believes that the money he took was part of a \$320,000 payment made by Somoza who, in 1980, sought sanctuary in the Bahamas. Bannister denied to the Commission of Inquiry taking any money from Somoza. Gorman says otherwise.

In a statement read over Radio Bahamas this morning, Everette Bannister claimed that his son Gorman was a "junkie" and had been in institutions in

California and Miami several times for his drug habit which had led him to steal from him, his mother and brother to pay for his habit.

He said that his son had received a plane ticket through Silverman. He said he had not seen the article in question.

Gorman's mother, Eltha Bannister, returned yesterday from a 10-day visit to London with a group of Cub Scouts. With her were Gorman's two children, who are scouts. Mrs Bannister said that at 6 pm Saturday Gorman telephoned her in London to speak with his children.

She said that she knows nothing about Gorman being placed in institutions in Miami and California as claimed by his father. The only institution she knows of that Gorman went to was one in New York where he spent six weeks about three years ago.

As soon as she walked through the door to her home in Nassau yesterday, the telephone was ringing. Gorman was calling to make certain that she and the children had arrived home safely, Mrs Bannister said.

"He seemed very happy. He was doing fine, but declined to say where he was," she said. Gorman is being held under US marshal protection in an unnamed location.

Gorman telephoned her again this morning at 11.30. Mrs Bannister, who had heard Mr Bannister's statement over ZNS, told Gorman what his father had said. He laughed when she told him about the "torture," she said.

When she told him about the suggestion that he had received \$70,000, Gorman again laughed in disbelief.

According to Mr Bannister, Mrs Bannister was to go to Miami to receive the money. Mrs Bannister said she knows nothing about Gorman receiving any money. She said she has no plans to go anywhere to receive anything. She said that her son seems to be very happy.

In the House of Assembly this morning, copies of the *Sunday Times* were being circulated.

Prime Minister Lynden Pindling did not show his face at the House this morning.

## 'Uproar' in House

Nassau THE TRIBUNE in English 28 Apr 87 p 1

[Article by Anthony Forbes]

[Text]

THE House of Assembly was abruptly suspended last night as Montagu MP Orville Turnquest read a London newspaper article alleging that the Prime Minister received "vast payments" from a Nassau businessman funded by drug traffickers, international fugitives and companies that needed Government favours.

Speaker Sir Clifford Darling ordered the suspension as the House erupted into an uproar over his threat to expunge the portion of The Sunday Times article under the headline, "PM 'linked to bribes', that Mr Turnquest, Opposition Shadow Attorney General, had read into the records of the House.

The suspension of the House to Wednesday morning at 10:30, drew loud laughter from Opposition members and came after Mr Turnquest refused to yield the floor to Minister of Works Darrell Rolle, who objected to the reading of the newspaper article.

Mr Turnquest, who took full responsibility for the contents of the article, began reading while Deputy Speaker George Mackey, MP for St Michael's, was in the Chair.

House Leader and Deputy Prime Minister Clement

Maynard, who was in the Smoking Room, rushed into the Chamber as Mr Turnquest was about to read the article.

Mr Maynard objected saying that there is a rule against reading newspaper stories into the records of the House and that a member may not do so unless he accepts full responsibility for it.

Mr Turnquest pointed out that everything which was written in the article in the April 26 edition of The Sunday Times was a repetition of what has already been said before.

But Mr Maynard maintained that Mr Turnquest must accept full responsibility for the article before reading it into the record.

"The Minister is not going to tell me how to make my speech," an annoyed Mr Turnquest said.

Mr Maynard replied that he is not afraid of anyone in the Chamber and that what is contained in the article is a "serious libel."

Cooper's Town MP Hubert Ingraham said that if Mr Turnquest did not want to accept full responsibility for the article, he would do so and would read it into the record of the House.

Mr Turnquest then told the House that he accepted full responsibility for the contents of the article and proceeded to read it into the record.

"New claims were made last week that Sir Lynden Pindling, the Prime Minister of the Bahamas, and his wife, Lady Pindling, have received vast payments from a Nassau businessman who was funded by drug traffickers, international fugitives and companies that needed Government favours," Mr Turnquest read from the Sunday Times article.

"The allegations were made in Miami, Florida, by Gorman Bannister, the son of Pindling's close friend, Everette Bannister, a Nassau-based businessman who has long been regarded as 'Mr Fixit' in the Bahamas," Mr Turnquest read.

"As his father's 'financial consultant,' 31-year-old Gorman Bannister has first hand knowledge of the complex unofficial payments underpinning much of Bahamian high society," Mr Turnquest read.

"According to Gorman, his father has distributed millions of dollars in gifts and loans to the Prime Minister's associates, as well as to stalwart members of Pindling's party (the Progressive Liberals), and to senior officials in government ministries, the police force, customs and immigration," he read.

"But, overwhelmingly, the money has gone to Pindling and his wife: 'My father always made sure that the Prime Minister got his. Always,' said Bannister," Mr Turnquest read from the article.

"Sometimes the money would be paid in cash. More often, it would be laundered through Bannister's various business and private bank accounts. Gorman's job was to balance the various chequebooks. 'Any time the Prime Minister needed money for anything to be paid....,' Gorman claims," Mr Turnquest read before being cut off by Minister Rolle on a point of order.

As Minister Rolle was making his point of order, Opposition members began shouting that he was only stalling.

Shortly afterwards Speaker Sir Clifford Darling walked into the Chamber, and after being briefed by the Deputy Speaker as to what had transpired in his absence, took the Chair.

Mr Turnquest who had first yielded for Mr Rolle to make his point of order, got to his feet to continue reading, but Mr Rolle, who had sat down for the Speaker to take the Chair, also rose to make his point of order.

Mr Rolle said that once a member accepted full responsibility for an article in a newspaper and it is read into the House, it could be repeated at anytime outside of the House and the member might not come back to the House to substantiate it.

Members of the Opposition urged Mr Turnquest not to yield to Mr Rolle.

"Mr Speaker, I am on the floor and I will not yield," Mr Turnquest said.

He began to read another paragraph of the article above Mr Rolle's voice but stopped.

The Speaker then warned both members that both of them are on the floor and he will order everything that was said to be expunged from the record of the House.

Opposition members then protested to the Speaker telling him that he cannot do that.

The Speaker said that he can and abruptly suspended the House to Wednesday at 10:30am as Opposition members burst into laughter.

## More on TIMES Article

Nassau THE TRIBUNE in English 29 Apr 87 p 1

[Article by Athena Damianos]

[Text] Colombian drug kingpin Joe Lehder threatened to take a prominent Bahamian "off the population count" if he ever had concrete proof that he was being ripped-off, Gorman Bannister told The Sunday Times.

Gorman, son of the Prime Minister's close friend and confidant Everette Bannister, will appear as a major witness in the US against Lehder. His testimony is considered so important that he has been placed under round-the-clock protection from the US Marshals.

Lehder, a self-confessed drug czar, is charged with importing vast amounts of cocaine into the US. His trial has been delayed until September 8.

In lengthy interviews with The Sunday Times, Gorman spoke about a trip he claimed he made to Colombia with his father and comments he alleged Lehder made about:

--A gift of jewellery Rolleville MP George Smith was to have delivered to Lady Pindling;

--A Bahamian who might have been "ripping" Lehder off;

--The firebombing of former St John's MP Normon Solomon's Jaguar in 1981.

Gorman said that around May, 1982, he accompanied his father from Miami to Bogota, Colombia (via Cali) to meet with Lehder.

They were taken to a "huge, massive place where they're building a resort." Two guards armed with summachine guns manned the gate.

"You know, you guys have closed down the cay and you guys have put me out of business," Lehder had complained.

Gorman said that while driving in Lehder's James Bond-type Mercedes, Lehder started talking about how Norman Solomon's car was bombed "because he didn't appreciate the way he'd (Solomon) tried to depict his Colombian people."

Solomon's \$25,000 Jaguar was firebombed outside his Winton Highway home during the early hours of March 31, 1981. In 1979, Solomon had

unsuccessfully asked for a Parliamentary committee to investigate the unusual activity taking place at Lehder's Norman's Cay, identified as one of the biggest cocaine smuggling points in this part of the world. Government members voted against it. Mr Solomon continued to raise the matter in the House.

"He (Lehder) talked about the gift that he had sent for the Prime Minister's wife that (had not reached her) and for some strange reason could not be relocated now at that point," Gorman told The Sunday Times reporter.

Lehder said that "if the lady doesn't want it, he would just want it returned. Simple as that. He didn't know why there was such a difficulty. Lady has already refused it," Gorman told The Sunday Times.



He claimed that Lehder sent the gift through George Smith. Mr Smith is on record denying that he was ever involved in any way with emerald jewellery that Lehder wanted to give Lady Pindling.

Gorman said that Lehder had a dream of establishing flights between Norman's Cay and Colombia so that his people could vacation in the Bahamas, and in return he would build up the economy of the Bahamas because "Colombians spent vast amounts of money when they go away."

Gorman said that Lehder sent three men to Nassau to retrieve the jewellery. He said a telephone call was made to Lehder, in their presence, and they left.

Gorman said he understands that his father made a second trip to Colombia.

#### Debate in Parliament

Nassau THE TRIBUNE in English 29 Apr 87 p 1

[Article by Athena Damianos]

[Text]

**GOVERNMENT** Leader Clement Maynard moved rapidly to suppress embarrassing allegations from being debated in the House of Assembly this morning by calling for an early suspension.

The House suspended in chaos at 12.30 pm "until May 13th" with the Speaker ordering that remarks made by Cooper's Town MP Hubert Ingraham be expunged from the record.

The Opposition, Mr Ingraham and Anns Town MP Arthur Hanna roared with laughter. No one expects the House to meet again.

As Mr Maynard moved to stop the proceedings, Mr Ingraham got to his feet and started shouting something about a discussion Everette Barinister and Joe Lehder had with reference to former St John's MP Norman Solomon. Mr Solomon in 1979 asked the House for a committee to in-

vestigate Lehder's Norman's Cay, which he said was the scene of one of the biggest cocaine smuggling operations in this part of the world. Government members, led by the Prime Minister, voted against the committee. Mr Ingraham also shouted something about the Prime Minister.

Mr Maynard objected to the remarks and asked that they be expunged from the record. Speaker Clifford Darling suspended the House and then ordered that the actual words not be used.

"No Mr Speaker! No! There's no expungement! There's none! The House is suspended! There's no expungement! None!" Mr Ingraham shouted as the Speaker's procession left.

FNM St Barnabas candidate Edmund Moxey started shouting from the public gallery.

A few minutes later, the Speaker sent two clerks upstairs to inform the Press that Mr In-



graham's remarks had been expunged and could not be published.

It is being strongly speculated that Prime Minister Pindling - absent from the House again this morning - will dissolve Parliament on Friday. Counting from Saturday, this gives him the minimum 30 days to call a general election on June 10.

Put on the defensive, Mr Maynard and Minister of Works Darrell Rolle also successfully moved for remarks made by Montagu MP Orville Turnquest on Monday to be expunged from the record today.

The remarks relate to a Sunday Times article, the first three paragraphs of which were read into the House record by Mr Turnquest Monday. The Tribune published an account of what Mr Turnquest said yesterday. The House had suspended in an uproar Monday.

Mr Turnquest agreed not to refer to other members in making reference to the Sunday Times article.

"The article says that a certain well-known person in the country is linked to bribes," Mr Turnquest said.

He said that the same certain well known person and his wife have received vast payments from a Nassau businessman who was funded by drug traffickers, international fugitives and companies that needed Government favours, according to the Sunday Times.

Mr Maynard tried unsuccessfully to get a copy of the article. The Speaker ruled that Mr Maynard did not have a right to a copy because it was not the property of the House.

Mr Rolle said it is known that Mr Turnquest was referring to the Member for Kemp's Bay (Prime Minister Pindling).

Chaos broke out and the Speaker had to suspend briefly shortly before noon. During this period, Mr Maynard summoned Government members downstairs for a meeting.

When the sitting resumed this morning from Monday, Mr Turnquest had the Floor. Mr Rolle, who had risen on a point of order when the House suspended Monday, tried to take the Floor. Mr Turnquest refused to yield.

Sir Clifford protested several times that it was customary and it is the practice of all parliaments to allow another member to make a point of order.

"I indicated to you that I am not yielding...It is my right. I refuse to have an interdiction to that right. I have the Floor. I have indicated in the clearest possible language that I am not yielding. That being so, Mr Speaker, you are not in a position to allow the Member to speak," Mr Turnquest said.

Sir Clifford said that in his 10 years as Speaker, he has always tried to be fair.

"Oh, Lord, it's been a long, long time," Clarence Town MP James Knowles moaned.

Sir Clifford said that he could have put a member out.

"Put who out? Who?" demanded Mr Knowles.

"Order!" shouted the Speaker.

Mr Knowles: "Boy, you want to name me bad, heh?"

Again Sir Clifford said that Mr Rolle should be allowed to make his point of order.

"I call upon you to protect the rights of this House, Mr Speaker. I have the Floor! I have the Floor!" Mr Turnquest protested as Mr Rolle stood and started to talk.

Mr Rolle said that Mr Turn-

quest was making a personal charge against another member of the House, which he does not have the right to do.

Mr Turnquest gave his undertaking not to refer to a single member of the House. Where the Sunday Times named a member, Mr Turnquest said he would leave the name out.

Mr Rolle continued to object that charges could not be made against members.

It was repeatedly pointed out to him that Mr Turnquest had given his undertaking not to name a member. Mr Rolle continued to object.

He said another difficulty was that at the last sitting, Mr Turnquest had already referred to another member in a context that was not consistent with the rules.

He said that the reference was libellous and wanted to know if members were going to let it remain on the record of the House.

The Speaker ordered certain remarks Mr Turnquest made on Monday expunged from the record.

"I have a point of order. Now you hear me! I'm tired of this foolishness...You cannot strike from the record things...if they are true. You haven't given the member a chance to say if these things are true or not. I believe they are true," Mr Knowles shouted.

Mr Ingraham said, "You have struck from the record a portion of the article which he has read, as I understand it. What is your position with respect to those publications

that have already carried what the member said?

"Obviously, you're ruling is not retroactive..."

Mr Maynard said that the Speaker could strike from the record any matter dealt with earlier, and that the Speaker, whom he knew to be fair, will have to deal with what has already been published.

With two, three and sometimes four Members on their feet talking at the same time, tempers flared.

Mr Ingraham told Mr Maynard that they each had two roles to play.

"Your duty is to keep the article out and mine is to get it in," he said.

"I promised you earlier that you can't get it in," Mr Maynard said angrily.

"And I promised you that I will get it in!" Mr Ingraham shouted.

Mr Rolle said that while it is correct that the publication of Mr Turnquest's remarks yesterday cannot be affected from the Speaker's order today, the parliamentary privilege is now lost.

"Absolute rubbish," Mr Turnquest exploded. "That's absolute rubbish and he knows it!"

Mr Rolle said that this does not exclude it from being libellous.

As the meeting grew more and more heated, Fort Charlotte MP Valentine Grimes pounded his desk.

"Suspend!" he said.

"Yes, you want to suspend, Grimes. You want to cover up, Grimes," Mr Ingraham said.

## Further Details on Bannisters

Nassau THE TRIBUNE in English 2 May 87 p 1

[Article by Athena Damianos]

[Text]

EVERETTE Bannister had a police contact who had access to information from the FBI computers, Bannister's son Gorman claimed in an interview with The Sunday Times of London.

The younger Bannister also claimed that his father had "enormous power" inside the Immigration Department.

Asked if his father had the power or influence to have people removed from the Bahamas, or lose their work permits, Gorman replied, "Of course, of course...He could do it through the Immigration. My father had enormous power inside the Immigration."

The Sunday Times has already featured an article on Gorman's allegations, as well as NBC Nightly News. Gorman was born in the United States and has an American passport. He said he does not have a Bahamian passport.

Mr Bannister dismissed the allegations in The Sunday Times as untrue. He has declined to talk to The Tribune on the matter. The senior Bannister is a close friend and confidant of Prime Minister Lynden Pindling, who, according to the Commission of Inquiry, funnelled large payments into the Prime Minister's bank account or directly to his creditors.

In reply to a question asked about certain payments made to the Prime Minister, Mr Bannister told the Commission: "I made those commissions. He needed the money. He was

building his house...I explained to him where I got the money from. And I bought the draft in the amount that he asked me to. The other drafts, he asked me to buy it for him. I did. I turned it over to him. That is how it was paid."

Gorman, who says he accompanied his father to Colombia in 1982 to meet with cocaine czar Carlos Lehder, named a Gomez as Lehder's right hand man.

He said that his father probably had Gomez checked out before going to Colombia.

"I mean, my father probably had Gomez checked out because my father had access to having (police contact) deal

with your FBI computers and everything here in the United States," Gorman claimed to The Sunday Times in Miami.

He said that his father was very, very close to American fugitive Robert Vesco. Everette Bannister, in fact, acquired the 20-room Las Palmas Hotel in the Prime Minister's Kemp's Bay constituency through a Vesco company, said Gorman. Records show that the money to make the purchase was lent to Bannister by one of Vesco's companies and there is no evidence to show that it was paid back.

He said that around 1973/74, Vesco's businesses amounted to a substantial part of the Bahamian economy.

According to Business Week magazine, by March, 1974, Vesco's Commonwealth Bank had advanced over \$50 million in unsecured loans to people in the Bahamas, including Bannister's Bahamas World Airlines.

Gorman also filled in the missing gaps during the period his father lived in New York.

Everette Bannister is a Bahamian with American status. Gorman's mother, Eltha Bannister, is from Bimini. When Gorman was born, he said his father was a butler in New York to a man by the name of Meyer.

Afterwards, Everette Bannister was a chauffeur/butler to a man named Dick Howard in New York. Howard had changed his name from Horowitz. To the best of Gorman's recollection, the Howards lived on 81 Park Avenue.

Mr Howard was the owner of Peter Pan Foundations, ladies underwear and lingerie. Everette Bannister became involved in the business. Apparently Howard was a heavy gambler.

"Dick Howard (deceased) is one of the kindest and best men I've ever met, bar no colour," Gorman told The Sunday Times.

Toward the end of the 60s, people like Pindling, Kendal, Nottage, Simeon Bowe and Geoffrey Thompson would visit the US, Gorman said. He said that his father would take them around shopping in the garment district.

By 1967/68, Everette Bannister was making frequent trips to the Bahamas, once a week, for instance from Monday morning to Friday evening, Gorman said.

He said that his father had stopped working for Howard and was "trying to put things together in the Bahamas." He started working with a man named Lenny Kaye who owned the old Anchorage Hotel on West Bay Street.

Gorman, who attended Bradley University in Peoria, Illinois, started off studying psychology. He always wanted to be a psychologist, he said.

He said that money started coming in at this period and his father induced him to study business instead.

Gorman said that his father increased his allowance from \$100 to \$300 a month when he switched to business, promising him a very lucrative job when he left college. His father bought him a stereo. If Gorman needed any quick money, he said his father would make it available.

"Money started coming in. I really didn't know what my father was into, but I was in Illinois," he said.

He said that his father had started his airline business and "the airline was fantastic. The first international airline down there."

Bahamas World Airline started floundering when Vesco's bank collapsed, he said.

He said that his father bought his Skyline Drive home, in which Mrs Bannister lives, from an architect in 1971 for \$250,000.

Gorman said that his father acquired a house on High Vista, paying \$28,000 for it at first. He said the house is easily worth \$100,000.

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CSO: 3298/219



PINDLING AT PLP MEETING COMMENTS ON U.S., DRUG OPERATIONS

Nassau THE TRIBUNE in English 30 Apr 87 p 4

[Article by Alexis Wallace]

[Text] COVERT activities authorized by agencies of the American Government have resulted in increasing the amount of cocaine on the streets in the Bahamas, according to Prime Minister Pindling.

Speaking at the opening night of the PLP's Convention Prime Minister Lynden Pindling said that the recent Caribbean Basin Initiative plan originally began as an extension of efforts to supply arms to allies in Latin America. He claimed that it was chaperoned by the same elements who conceived the intervention in Grenada.

He also alleged that "these same swashbuckling operatives masterminded the Iran/ Contra debacle that is still the subject of intense scrutiny."

Sir Lynden said that ever since he suggested that the invasion of Grenada was a breach of sovereignty "things have never been the same."

Tuesday night's convention, attended by thousands, is a "first" for the PLP. The party has always held its conventions at a hotel. Following the example set by the FNM, last night was the first time that the PLP's convention was held in the Poinciana arena.

The Prime Minister was the keynote speaker on Tuesday night.

Sir Lynden said that the reason this nation has a drug problem "is only because one of the best ways to get cocaine

from South America to North America is through the Bahamas, that we have anything to do with it. We are not the cause of the cocaine problem. We are the victims of it," he said.

"The world knows this. It also knows that this Government has allocated much more of our resources than we can really afford in our effort to contain a problem which has been imposed on us.

"These are critical considerations. Critical because the only serious problems which this nation faces are crime and drug abuse and these all arise because foreigners are abusing these islands and her people with cocaine.

"We already know that covert activities authorized by agencies of the American Government have resulted in increasing the amount of cocaine on the streets of the Bahamas.

"We also know that pending investigations will reveal that the actions of persons conspiring against us have also contributed to our drug problem. Now this is precisely the kind of

evidence which led to our Commission of Inquiry.

"It is the same kind of evidence which prompted the American media to dub the Bahamas, a nation for sale and the Cocaine Islands. Yet, strangely enough, when the problem is in their own country and should concern them more ... they are silent.

"Now their explanation probably is that it would be foolish to believe such serious allegations about their government on the word of convicts alone and this is quite a reasonable objection with which I agree.

"But it raises two problems. One is why they did not exercise the same good judgment when it was our government that was accused?

"The second is why supposedly responsible leaders in this country did not exercise similar good judgment when they were faced with exactly the same choice.

"The allegations and negative characterisations methodically heaped upon the Bahamas by elements of the foreign media have seriously demoralised many Bahamians."

The Prime Minister said that ever since Government made two critical decisions the Bahamas has been on the receiving end of a relentless stream of slander "and has had to bear up beneath a torrent of lies and low journalism designed to destroy the international influence of the Bahamas.

"We made two critical decisions which ordinarily would have been well within our sovereign rights. It was our opinion that the structure of the Caribbean Basin Initiative did not suit the development requirements of many Caribbean nations.

"And we suggested that the invasion of Grenada was a breach of that nation's sovereignty. Very little has been the same since," said the Prime Minister.

"Let me add this interesting footnote. The Caribbean Basin initiative originally began as an extension of efforts to supply arms to allies in Latin America.

"It was chaperoned by the same elements who conceived the intervention in Grenada. These swashbuckling operatives masterminded the Iran/Contra debacle that is still the subject of intense scrutiny," said the Prime Minister.

"I am convinced that it is only a matter of time before investigations into that matter reveals just who was behind these ceaseless allegations and just who in the Bahamas abetted their treachery."

"Just the other day I saw some comments in the press from a supposedly intelligent young Bahamian (presumably Cedric Scott) who said the stories about drugs and corruption made him ashamed to be a Bahamian.

"Yet, this same young man not only lives in a country whose government is involved in a domestic and international scandal more extensive and more serious than anything the Bahamas has ever witnessed.

"He not only lives happily in the country that is the official home of the Mafia, he not only lives in the drug infested world of Hollywood, but he had the nerve to make his remarks under the roof of the Roman Catholic Church," said Sir Lynden. (Mr Scott made his remarks at Forum, which meets every Wednesday at The Health Institute, located in the Sisters of Charity building on West Hill Street).

"The Bahamas does not produce drugs and the sole reason that drugs entered here was because of the great demand for them in America. In spite of all this, the media chose to paint the Bahamas as a nation for sale to drug dealers and as the Cocaine Islands," he said.

Sir Lynden gave statistics about the "American drug problem." He said that it was a known fact that \$100 billion worth of cocaine alone enters America every year.

"It enters despite the best efforts of the US armed forces, the FBI, the Border Patrol, the Drug, Firearms, Alcohol and Tobacco Control Agency, the DEA, several Congressional Committees, a host of police forces, hundreds of millions of dollars in House and Senate appropriations and a presidential task force headed by a vice president.

"If it is corruption that allows drugs to enter the Bahamas, pray tell me how the drugs get from the Bahamas to Florida! It would appear that there must be some very corrupt people over there.

"If we are the Cocaine Islands, there must be a Cocaine Continent nearby," said the Prime Minister.

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CSO: 3298/219

## BARCO DEFENDS CREATION OF SPECIAL TRIBUNALS

Bogota EL TIEMPO in Spanish 29 Apr 87 pp 1A, 6A

[Article by Jesus Medina S.]

[Text] Yesterday President Virgilio Barco vigorously defended the decree which created the Special Trial Tribunal, and urged the citizenry to rally around the authorities with solidarity and courage in order to ensure success in the administration of justice.

"It is all too frequent," he said, "for citizens not to come forward to testify as required, not to appear in court when subpoenaed, and not to facilitate the activities involved in prosecution or investigation. This state of affairs is unacceptable. The nation cannot advance under these circumstances."

Barco opened the forum on "An Efficient Colombia: Everyone's Responsibility for Change" at the Bogota Chamber of Commerce Convention Center. He responded to critics of the decree issued by the executive branch last week, particularly former Conservative candidate Alvaro Gomez Hurtado.

He also said that the country has been shaken by the fact that many crimes, some of them categorized as mass murders, have not yet been solved, and this impunity is of profound concern to public opinion.

### Barco's Speech

Here is the speech that President Barco delivered to the ministers, government officials, union leaders and businessmen:

The efficiency of public administration has been a constant goal in my life, and of course, now in my government. The state's ability to effectively solve the nation's social and economic problems is a sine qua non for guaranteeing the democratic order.

Democracies must prove that while preserving the system of individual liberties, they are capable of solving the complex problems of society. That is why efficiency must be one of their primary characteristics.

Within the overall objective of making public entities more efficient, there is one vital matter whose importance stands out above all other objectives of state action. It is, without a doubt, efficiency in the administration of justice.

Justice is the essence of the organization of the state. It is what makes possible harmony, coexistence, social order, and progress. It does little good for the government to have economic resources or for its actions to be guided by ambitious programs if justice does not function, or functions poorly. If justice is not quick and effective, as the Political Constitution dictates, what good is efficiency in other areas of public activity?

### Modernization of Justice

In the presidential campaign, I discussed these matters on many occasions. When I took office as president of the republic, I asserted that "peace and coexistence lie in effective, impartial, and speedy justice. . ." I also said that I would do everything in my power to assure the judges of independence, dignity, and protection. From the first day of this administration, I have been fulfilling that ineluctable obligation as the top priority of my government. It could be no other way.

The previous administration submitted a bill to Congress that would provide for the proceeds from court deposits to be used in the administration of justice. We supported that initiative and proposed amendments to improve it. They were adopted by Congress when it passed Law 11 this year. Regardless of other budgetary efforts the government is making and will continue to make, the new law has already considerably expanded the economic resources available to the judges.

When it began its term last August, the government also found that under Law 52 of 1984, it had the power to issue legislation on some important matters related to the administration of justice. Seizing the opportunity, we made full use of these powers, issuing new statutes in the areas of criminal procedure, customs penalties, judicial careers, public defenders for the poor, and forensic medicine. In addition, constantly motivated by the desire to achieve efficiency in justice, we issued regulations in connection with the National Narcotics Statute.

In keeping with the decisions handed down by the Supreme Court over the years, and motivated by the cruel assassination of Don Guillermo Cano (whose death is still grieved by the nation), the government transferred jurisdiction over drug trafficking crimes to the Military Criminal Courts. The government proceeded in this manner because it was convinced that such a perverse, powerful manifestation of criminality requires exceptional judicial instruments.

The Supreme Court of Justice, although it had always ruled that the military courts could prosecute civilians during a state of siege, declared the corresponding decree unconstitutional. In response to this unexpected decision, the government deemed it appropriate to issue a new decree giving the special judges, whose positions had been created by a 1984 law, the power

to prosecute and render verdicts in cases involving these traumatic crimes. The government will give these judges, who will receive the same basic salary as the magistrates of the superior courts, the instruments they need to fully assume this tremendous responsibility.

At present there is a national clamor that exceeds political and partisan limits. People are clamoring for the restoration of efficiency in justice so that citizens can renew their confidence in it. The government is concentrating all sorts of resources on this problem, resources which are necessary in the ceaseless, unconditional battle to achieve efficient justice for all Colombians.

### Impunity

The country has been shaken by the fact that many crimes, some of them categorized as mass murder, have not yet been solved. This impunity is of profound concern to public opinion.

In the last few years, journalists, officials, and labor leaders have been assassinated. But the results of the investigations have so far been very unsatisfactory. The public is rightfully complaining that these crimes are going unpunished. The government has a high opinion of the magistrates and judges of the republic, and knows that the vast majority of them are carrying out their functions with responsibility and selflessness; it understands the difficulties that hamper their actions.

For this reason, the government has decided to form a trial court with a higher status for the purpose of investigating those crimes of homicide and bodily injury which, because of the nature of the victim, the motives of the perpetrator, and the social repercussions of the act, aggravate the disturbance of the peace. To guarantee the court's autonomy and credibility, it will determine by itself on which cases it will assume jurisdiction so that it can carry out the investigation. This decision will be made public by the court, as will the final ruling on the case. This measure has been taken because the government is convinced that the citizens should know who is found guilty of committing the crimes that cause the most social trauma.

### Special Trial Tribunal

The Special Trial Tribunal, which has just been established, will enjoy all the powers criminal prosecution officials ordinarily exercise. In addition, it will be able to request the assistance of all the public entities it deems necessary in order to further its investigations, including free communication and transportation services.

I would also like to emphasize that under Article 7, "No exceptions may be filed with respect to the documents, reports, and statements required by the tribunal and the trial judges." This rule applies to all public employees, be they civilian or military.

We have given the Criminal Appeals Department of the Supreme Court of Justice jurisdiction over the crimes investigated by the Special Tribunal, unless the



Constitution or the law requires that the defendant be tried by a specific court or judge.

We know very well that ordinarily this entity is not to serve as a trial court. Nevertheless, it should do so under special circumstances, some of which are outlined in the Constitution itself. I am convinced that the Supreme Court will appoint the magistrates of the Tribunal quickly, that it will appoint jurists with excellent qualifications, and that its criminal department will carry out the trial functions with the patriotism which is demanded by the present circumstances and which society as a whole recognizes in these justices.

The executive branch, on the other hand, is already taking the necessary steps to give the Special Trial Tribunal a headquarters and to provide it with all the material resources it needs to fulfill its role successfully.

#### Everyone's Responsibility

The constitutionality of Decree 750 is being studied by the Honorable Supreme Court of Justice, which automatically has jurisdiction in these cases. The appropriateness of the decree is also being scrutinized by public opinion. In this case, and in all other cases related to the task of strengthening justice, the national government believes it has done its duty. It also trusts that the other sectors of our society will do their part.

It is all too frequent for citizens not to come forward to testify when required, not to appear in court when subpoenaed, or not to facilitate the activities involved in prosecution or investigation. This state of affairs is unacceptable. The nation cannot advance under these circumstances. The citizens must understand that their cooperation is imperative for achieving justice. And they must act with true courage to rally around the authorities.

The difficulty and the primary importance of this task demand that Colombians show solidarity in their actions. The Special Trial Tribunal, created by Decree 750 of 1987, responds to that need of society and to that desire of the citizenry.

8926

CSO: 3348/300

## MURDERS OF UP MEMBERS DECRIED

Bogota EL TIEMPO in Spanish 26 Apr 87 p 4A

[Editorial by Enrique Santos Calderon]

[Text] The constant slaughter of members of the Patriotic Union (UP) has become a monstrous threat to all that the Colombian state represents, to its laws, its system of justice, and its Constitution. This is an unacceptable threat to the image of a country where, despite a legal tradition that we display to the world such pride, a systematic political extermination is taking place.

So far this month, 20 members of the UP have been assassinated. This makes a rate of one a day. And these victims are added to the more than 350 who have been eliminated since this party was founded. The April victims have been gunned down right in the middle of cities such as Villavicencio, in remote indigenous areas of the Cauca, or in dusty towns in Cesar. Some were union leaders, others councilmen, community leaders, or mayoral candidates. Married couples, such as UP members Fernando Valencia and Elizabeth Hurtado of the Cauca, have also been murdered; the couple's tortured bodies were found on Holy Thursday after they were dumped in the Palace River.

The last attack took the form of a grenade thrown into a cafe in Barrancabermeja--a cafe, for God's sake!--where UP leaders were meeting. Amazingly enough, no one was killed, but several people, including two children, were seriously injured.

The UP is presumably a legal, public political movement. It is promoted by the Communist Party, smaller leftist groups, and the Revolutionary Armed Forces of Colombia (FARC), the latter a guerrilla organization that is observing the truce and has signed pacts and agreements. This movement has the right to elect and be elected, and to enjoy the guarantees offered by the system. For despite all the ambiguities and duplicity that have characterized the negotiations with the guerrillas, the government has accepted the existence of the UP. In more than one speech, including his inaugural address, President Barco has hailed the emergence of the UP and has vehemently condemned the assaults on it.

So the government must do something to give its words meaning. What is happening cannot continue. It is undermining the foundations of our imperfect democracy with the same depth charges that are being fired by the militarist ultraleft. It is making a mockery of the constitutional premise that holds life sacred. It is contradicting the entire strategy of reconciliation, political liberalization, and popular mayoral elections to which the Barco administration has committed itself.

It is true that we are undergoing a situation which many people liken to war. A war on subversion, on drug trafficking, or on crime in general. Or a war on injustice, repression, or aberrations in the system. It depends on the trench from which one views the scene of devastation. It is also true that the attacks on the UP may be carried out by a variety of perpetrators: latifundists, drug traffickers, Ricardo Franco followers, or--and this is where things get sticky--paramilitary groups which the UP insists are linked to the Army.

It is well known that the Army has never been comfortable with the truce with the FARC, and that it regards possible UP mayors as more of a threat than jungle ambushes or attacks on petroleum installations. Maybe it is for this reason, and because of the accusations made by the victims themselves, that many people are wondering whether sectors of the Army may be involved in this terrible slaughter. It is difficult to accept this possibility, because that would mean acknowledging that the government's armed wing is conspiring against the government's own policies.

The only clear thing is that someone is guilty of ineptitude, pure and simple. After more than 300 murders, not a single defendant has been brought forward. And from the standpoint of preventing and combatting crime (particularly this crime, the gunning down of unarmed Communists), the inefficiency of the Armed Forces, the security corps, and the state intelligence services is frightening, to say the least.

With its proverbial clumsiness, the Colombian justice system and its military and police authorities have at least managed to arrest and punish a few drug traffickers here and there. There are bankers who go to jail, and even monsignors who are held accountable. But so far no one--I repeat, no one--has been prosecuted or convicted for these hundreds of murders. This is a curious and disturbing distinction. If this trend continues, it will merely feed the grave suspicions that have already been planted in the citizens' minds.

We are facing a state problem which demands the vigorous intervention of high government officials. This problem is threatening the very credibility of the system, and it will not be solved simply by appointing more judges in the violence-prone areas. It is a ridiculous legal fiction to pretend that in a country where the Supreme Court knuckled under to mafia intimidation, a few defenseless and underpaid officials will impart justice amid the crossfire of the guerrillas, the Army, and sundry paid assassins.

If anyone is to believe that the Barco administration's policy of reconciliation and liberalization is genuine, the government must do something to stop the bloodbath. Even if it is just symbolic to begin with--the arrest and punishment of a murderer, for example. Just one.

## DETAILS OF NEW EXPORT PROGRAM OUTLINED

Bogota EL PAIS in Spanish 29 Apr 87 pp B1, B4

[Text] A new strategy for boosting exports, especially the so-called nontraditional products, was announced by Federico Clarkson, director of the Export Promotion Fund (PROEXPO). Future changes will create the necessary conditions to form a real exportable supply with realistic possibilities for competing on international markets.

The goal for 1987 is for sales of coffee, petroleum, and coal to increase by at least 20 percent over the 1986 totals.

The program, which is being unveiled just as PROEXPO's legal life is being extended, will begin to take full effect in a month. It will involve short-, medium-, and long-term actions.

Among the most ambitious objectives announced (although they will require a longer period of maturation) is that of turning the Atlantic and Pacific coast departments into industrial regions. These departments would be major producers of the processed goods that the country could export.

The principal adjustments will be the following:

1. A new credit policy will be adopted to reorient loans toward investment and to reduce the emphasis on working capital. In keeping with this goal, there will be changes in interest rates to make them lower for loans granted for investment programs.
2. A special fund will be established to capitalize firms devoted to export.
3. The stimuli provided by PROEXPO will gradually be made more permanent. According to this criterion, the Tax Reimbursement Certificate (CERT) will no longer be adjusted every quarter; its percentage levels will be modified on a yearly basis.
4. Preference will be given to providing incentives for the production of exportable goods in the manufacturing and industrial sectors.

5. The industrialization of the Pacific and Atlantic coasts will be promoted. Therefore, incentives will encourage the establishment of firms that will make use of local raw materials from the region where they are located, as needed to process finished goods intended for export.
6. The compensation funds for commodities will be stabilized and expanded.
7. The former export plan will be modified in order to limit it solely to the products that meet the minimum conditions for being internationally competitive.
8. The law on marketing firms will be modified.
9. Special stimuli will be provided for foreign investment in technology.
10. An idea bank will be set up.
11. PROEXPO will be strengthened technically, and new functions will be assigned to its foreign offices.

The 1987 budget for credits extended by PROEXPO is 108 billion pesos.

In addition, PROEXPO and the Colombian Foreign Trade Institute (INCOMEX) will work together on some aspects such as cutting red tape for granting export licenses, credit, the use of the Vallejo Plan, etc.

Moreover, the exchange rate will be kept at a real level that maintains the 12-point gain that exporters have obtained in the last 2 years.

#### Credit

Since PROEXPO was founded 20 years ago, the credit it provides has been primarily oriented (80 to 95 percent) toward financing working capital. The remainder has been used to meet investment requirements.

From now on, 60 percent of the Fund's institutional credit will be channeled toward investment and 40 percent toward working capital. In addition, interest rates will be adjusted to rise between one and two points for working capital loans, while the rates on investment credits will be kept very low.

"The problem the Colombian external sector has faced is that there is no serious exportable supply. We are marginal exporters of surpluses, and for this reason we are going to orient PROEXPO resources toward investment. In this way, we hope to become serious exporters, not just exporters of surpluses," stated Federico Clarkson.

#### Capitalization Fund

This measure (which is still under study by the PROEXPO Board of Directors) seeks to create a support mechanism for the exclusive benefit of the external sector. It has characteristics similar to those of the instrument created in



the Bank of the Republic to strengthen the capital of the country's industrial and business corporations.

With PROEXPO resources, credit will be provided to the shareholders of companies which produce exports. They, in turn, will be able to invest these funds in expanding the shares of the firms they are involved with.

"The export firm should have enough resources to meet the needs of the international market," stated Clarkson.

#### Stimuli: CERT

The main instrument for stimulating exports will continue to be the exchange rate, through which the exchange balance that prevailed at the end of 1985 will be maintained.

With regard to the Tax Reimbursement Certificate (CERT), it will be maintained only for those products which can be competitive on the international market and require this type of support for short-term or market considerations. As soon as they attain the necessary level of competitiveness, they will no longer be eligible for the CERT.

In addition, the CERT will no longer be adjusted (in terms of coverage and percentage) any more frequently than once a year. This will provide a greater guarantee and security to exporters with respect to the stability of this kind of state support.

"I would favor signing a contract with exporters and telling them that during these 4 years we will give them a CERT of 12 percent this year, 10 percent next year, and 8 percent the following year, so that it will be phased out over 4 years. If the product is not competitive in 4 years, it will have to be taken off the market."

Three CERT levels have been established for 1987: 12, 9, and 5 percent. The fiscal cost is estimated at 20 billion pesos.

#### Compensation Funds

With the help of both the private and state sectors, the compensation funds for commodities will be consolidated and expanded.

Portions of private and government resources would go into these funds whenever a commodity (cacao, for example) begins to fetch good prices abroad.

The support in question would take effect when the price of the product fell below a certain level. Whenever the commodity fell on the international market, the respective fund would compensate the exporter.

The best-known compensation fund at present is the one governing cotton, and thanks to it cotton farmers in the Valle del Cauca received compensation amounting to \$1 billion.

## Coastal Industrialization

One of the most important objectives will be to industrialize the coastal zones, both along the Atlantic and the Pacific coasts. This will result in more jobs and wealth in these regions. It will also bring down production costs for the goods that are to be exported, and will avoid the bottlenecks caused by the deficient transportation network.

This program, which will not yield tangible results for quite some time, envisions the installation of factories to produce finished goods right where the raw materials are obtained.

This is the case in the textile sector, whose primary infrastructure should be located near the areas where cotton is grown, along the coasts, preferably near shipping ports. In general, PROEXPO considers that everything the country produces for sale on international markets should be manufactured in areas near the place from which the product will be exported.

"This will not be an obligation; it will be an invitation and an objective so that we can develop our export industry where it is easiest," stated Clarkson.

## Export Plan

The export plan devised by the previous administration, which included nearly 500 products as showing potential for export, will be subject to review and selection.

The products which, by their very nature and their ability to penetrate the international market, have definite possibilities and can constitute the real exportable supply that the country needs, have been left in the plan.

By adhering to these criteria, the government's efforts to promote nontraditional exports will be more effective, and the current problem of stimuli being spread too thin will be avoided. "People who are not serious exporters will have to get out," warned Clarkson.

In the United States, for example, each American consumes 12 pounds of seafood, and it is estimated that by 1990 per capita consumption will amount to 30 pounds. According to the director of PROEXPO, this consumption pattern implies the expansion of the market by \$100 billion.

"If we manage to produce 2 percent of that \$100 billion," added Clarkson, "we will bring in an additional \$2 billion in income each year. So this is what we need to focus on, not guava paste . . ."

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# 1ST QUARTER INCREASE IN EMPLOYMENT LEVEL REPORTED

Cali EL PAIS in Spanish 30 Apr 87 p A3

[Text] Bogota, 20 April (Colprensa)—Unemployment fell by 1.5 percent during the first quarter of this year, and by 0.9 percent between March 1986 and March 1987, revealed the National Administrative Department of Statistics (DANE) today.

Between January and March of this year, 192,000 new jobs were opened up, in the public as well as the private sectors.

The agency reported that the number of employed workers rose from 2,877,000 to 3,069,000 in the country's four largest cities.

The unemployment rate at the end of March 1987 was 13.4 percent, as opposed to 14.7 percent at the end of March last year.

The cities that experienced the greatest recovery in job formation were Medellin and Bogota, where the jobless rate went from 15.1 percent to 12.4 percent, and from 14.3 percent to 13 percent, respectively.

According to the DANE, this is the first time the Antioquian capital has seen a major decline in unemployment.

For the last 12 years, the jobless rate in Medellin has not fallen below 12.4 percent.

According to economic policy analysts, this situation is the consequence of the recovery of the productive sector over the last few months, which in turn is the result of the general prosperity derived from the coffee bonanza.

The slight dip in unemployment in the country's four principal cities was achieved after 4 years of unfavorable behavior in the jobless rate, which has shown a persistent upward trend for a decade.

Retail trade accounted for 1.5 percent of the recovery of job openings.

Although the DANE did not specify the other sectors that opened up new job opportunities, it has been learned that industry and manufacturing were the principal generators of employment in the last few months.

#### Investment

It was also announced that in the next few days the government will allocate 500 million pesos for the expansion of employment sources in the country.

The new director of the National Employment Service (SENALDE), Luis Carlos Vasquez Escobar, said that the funds will be invested in the various areas the government has emphasized for eradicating dire poverty.

He stated that a pact has already been signed with SENA to develop more than 20 projects aimed at creating jobs. These projects include professional training and the systematization of SENALDE offices.

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FEDESARROLLO ADVOCATES REVISION OF ECONOMIC PLAN

Cali EL SIGLO in Spanish 23 Apr 87 pp 1, 2

[Article by Victor Chaves R.]

[Text] The Federation for Development (FEDESARROLLO) informed the national government yesterday of the economic measures that should be taken in the management of this sector, in view of the decline in international coffee prices.

In explaining the contents of the editorial note in the magazine COYUNTURA ECONOMICA (the organ of FEDESARROLLO), Executive Director Jose Antonio Ocampo and economic adviser Hugo Lora pointed out the need for the administration to take some of these measures in order to stabilize the external sector, create new sources of demand, and consolidate the recovery of the nation's productive and financial sectors.

They noted initially that the drop in international coffee prices involves a cut of nearly \$1.4 billion in the country's income for 1987, which is equivalent to the elimination of the entire range of lesser exports.

In addition, this decline will lead to a deficit of \$800 million in the balance of trade this year, compared to the \$500 million surplus that was recorded in 1986.

In this regard, the editorial note emphasizes that although foreign reserves are currently high enough to cover the country's liquidity needs, they are moderate compared to the size of the imbalance that such a deficit would cause. The deficit would thus have to be covered by obtaining foreign loans.

To achieve this goal, the note adds, it is imperative that the government immediately undertake an ambitious campaign to obtain new loans, with targets even higher than those recently set for 1989 and 1990.

In this connection, the FEDESARROLLO specialists argue that some opportunities to obtain foreign credit have been wasted, given the country's good standing with international credit agencies.



Furthermore, they recommend the assimilation of the methodology of sectoral indebtedness, currently being used in entities such as the Mining Ministry and the Colombian Petroleum Enterprise (ECOPETROL).

### Imports

With regard to the import policy being pursued by this administration, FEDESARROLLO contends in the editorial note that this system should be revised, because the budget established for this sector in 1986 was based on the premise not only of a high potential for foreign exchange earnings, but also of an unusually high demand for imports because of pent-up demand from previous years.

In view of this situation, FEDESARROLLO stresses that it would be prudent to restore the monthly limit of \$300 million that prevailed in 1985.

In addition, to facilitate the allocation of that quota, all unregulated imports that could be subject to speculative demand or that constitute luxury consumer items should be transferred to the category requiring import licenses.

Jose Antonio Ocampo pointed out in this regard that according to data released by the Colombian Foreign Trade Institute (INCOMEX), some speculative pressures have emerged, especially on imports of electronic and industrial equipment. He also emphasized that many goods authorized for import last year have not yet been imported, as in the case of jeeps, for example.

There was an unusual increase in imports of military equipment in 1986, but because of the secret nature of such imports there is no way to determine the exact amounts in comparison with luxury items, intermediate goods, or consumer goods.

### Fiscal Management

The depression of foreign coffee prices could well affect real income for this sector, and therefore aggregate demand may fall, contends the COYUNTURA ECONOMICA editorial. It adds that in view of this situation, the government should pursue a compensatory fiscal policy to help shore up demand through a higher volume of public spending on national goods.

In keeping with this trend, FEDESARROLLO goes on to note, the National Coffee Fund posted a surplus equivalent to 3.4 percent of the gross domestic product (GDP), and the rest of the public sector reduced its deficit from 6 percent of the GDP in 1985 to 3.9 percent of the GDP in 1986.

Under the present circumstances, the fiscal policy should be revised once again to prevent the deterioration of the external sector from driving down aggregate demand and depressing economic activity, explains FEDESARROLLO in the editorial note.

Just the influence of inflation on the payment of nominal interest on the public debt will generate a deficit equivalent to 2.1 percent of the GDP.

Along these lines, FEDESARROLLO recommends that the administration implement systems to control the level of nominal interest rates, setting a ceiling 2 points below the current maximum.

This circumstance is regarded as positive for the country's fiscal system, because it reduces the portfolio risk and results in an increase in the category of current accounts.

### Monetary Policy

The fall in international prices of coffee has monetary implications, according to FEDESARROLLO, inasmuch as the decline in international reserves leaves room for opening up more domestic credit which is noninflationary.

This fact will therefore facilitate the management of monetary policy this year, and in particular it will allow the Treasury to utilize the large sums that are now deposited in the Bank of the Republic. This will considerably boost investment spending on social programs, as the government has proposed.

In response to these proposals, FEDESARROLLO contends that monetary officials should authorize a reduction in the daily reserve requirement for banks' current accounts, and should explore new mechanisms for bringing down costs, which implies the poor quality of the current bank portfolio.

On the other hand, it goes on, administrative control mechanisms should be used once again to achieve a reduction in interest rates, both on deposits and on loans.

To achieve this purpose, FEDESARROLLO asserts that there is good liquidity and plenty of room to expand credit. Similarly, there is a high real exchange rate, which makes it possible to maintain moderate levels of devaluation and thus to prevent any flight of resources abroad.

Finally, it is known that tax reform dampened the demand for credit and at the same time boosted incentives for channeling private savings through the financial system.

Given this sequence of events, FEDESARROLLO states that the economic authorities should once again resort to control mechanisms to accelerate the overall decline in all effective interest rates. This has already happened spontaneously to a certain extent.

The drop in financial yields will help stimulate economic growth, because it will spur investment and facilitate the financial recuperation of productive enterprises, according to the explanations provided by the manager of FEDESARROLLO.

### Government's Position

The acting minister of development, Luis Fernando Panesso Serna, stressed upon leaving the Monetary Board that the government does not have any current plans

to restructure or adjust the budget allocations for the imports the country needs for its socioeconomic development.

Panesso Serna stated that both the minister of development himself, Miguel Merino Gordillo, and the minister of finance, Cesar Gaviria Trujillo, have indicated that the budget of \$345 million allocated for monthly imports will not be reduced, as proposed by FEDESARROLLO.

The official added that the government sees no reason to modify this budget, since the country is not on the verge of any exchange crisis, and the level of foreign reserves is still very satisfactory.

FEDESARROLLO recommended that the budget for imports be cut from \$345 million to \$300 million a month, which would save the country \$540 million a year.

FEDESARROLLO also proposed that the minimum terms for payments abroad be extended so that the nation can keep a larger supply of dollars on hand.

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FRENCH PAPER COMMENTS ON TRADITION OF FISCAL, ELECTORAL FRAUD

Paris LE MONDE in French 4-5 Jan 87 pp 1, 4

[Article by Corine Lesnes: "Shenanigans in Guadeloupe"; first paragraph is LE MONDE introduction]

[Text] Two financial scandals that everybody would like to see buried as expeditiously and as deeply as possible, and those in favor of doing just that include the people who divulged them. A mayor is accused of attempted election fraud for passing out 500-franc notes during the senatorial elections.... The alleged mastermind of a plot to murder an examining magistrate was let off scot-free, and his would-be victim advised to seek out a more salubrious climate.... Yes, some pretty gaudy things tend to happen in Guadeloupe.

Pointe-a-Pitre--Why bother with setting things to rights in never-never land? The water temperature is an enticing 25° C, Paris is 7,000 kilometers away, local officials have succumbed to torpor, and in the courthouse garden pool, the turtles are blissfully basking.

It is after all, not so terribly important if the rules and regulations are occasionally applied, in Guadeloupe, with less stringency than in the mother country, or if most elected officials deserve neither medals nor honorable mention plaques. One really must make allowances for the "peculiarities" of the Overseas Departments and Territories (DOM-TOM's), the mother-country representatives will tell you, by way of explanation. And, after all, the main thing is that this particular department is French and that it must stay that way, isn't it?

No doubt about it. The fact remains, though, that in Guadeloupe the financial delinquency is more than "peculiar": it is endemic. The people managing some government corporations could give lessons in brigandry to some of the most carnivorous buccaneers overseas. One of every two communes on the island is crumbling under the burden of the deficit.

The Company for Development of the Territory (AGAT) will close up shop in January with an accumulated debt of some 150 million francs. The Land Development and Rural Business Company (SAFER) has just been saved in extremis by the government at a cost of 18 million francs.

The regional council has been run in a totally catch-as-catch-can fashion for 2 years. One mayor has just been indicted for fraud in the Senate elections. Another former official may soon be for misappropriation of funds. A judge was the victim of an abortive assassination attempt in 1985, which did not prevent other judges from releasing the presumed author of the attack this fall, amidst a kind of carefree, good humor!

Anything can be bought, it is said, in this department a fifth the size of Corsica. Or rather, anything can be traded, and collection for services rendered often seems more relentless than that of certain public agencies. "It is the reign of 'Do that for me'," says one young Beke (descendant of white settlers).

While the first holdup may have taken place only 3 years ago, the art of "magouille" [corruption] seems to go back to the time of Columbus! Tax fraud, insurance swindles, trafficking in drugs, alcohol and cigarettes with Latin America or the other Caribbean islands, fraudulent billing: Even with his four financial experts, Commissioner Guido Spiessens, head of the regional department of the Antilles-Guyana Judicial Police, can barely keep up.

The feeling of impunity appears to be sufficiently strong for edifying proposals to regularly reach officials in charge of enforcing the law, or rather, the terms of the law in effect in the mother country. Is such-and-such a judge fond of sailing? One of his potential "clients is sure to dig up a brand new boat for a token price. "Are you serious? You pay rent? There was a time when your colleagues did better," one judge was overheard to say. The offer made to several soldiers was even more rash: carrying drugs to Paris.

In so exotic a setting, politicians do not, if one may say so, cut an unseemly figure. In December alone, two cases might have made headlines in the local press. The conditional tense is mandatory here because, in the ranks of the local press, the weekly LENDEPENDANS was the only one ill-mannered enough to spend lineage on such regrettable occurrences.

A few days prior to the 28 September senatorial elections, one candidate, Natalien Etna, a mayor returned to office many times, who had served as general counsel and was elected dean, at the age of 69, of the Regional Council, sent his son, Maurice, to Marie-Galante to deliver an envelope containing three sample ballots for each of the Grand Electors of that island in the Guadeloupe archipelago. It was a "learning experience," so to speak, in the workings of the "panachage" [vote-splitting system] as Etna would subsequently describe it. The story took a considerably more titillating turn when the word got around around that this particular pouch contained sample ballots for his fellow-RPR candidate, Leopold Helene, which had been defaced, while those for dissident socialist Georges Dagonia, had been left intact. Most remarkable of all, though, was the disclosure that, somehow or other, a 500-franc note had slipped into each envelope addressed to a municipal councilman, while the sum of 1,000 francs had, just as mysteriously, found its way into the envelopes addressed to mayors....

In Pointe-a-Pitre, astonishment prevailed, not because a right-wing candidate had handed out such largesse on Marie-Galante, which is notoriously left-wing



turf ("Now THAT's Guadeloupe!") but because of the paltry sums disbursed, by comparison, that is, with what we were told, were the "going rates" for senatorial elections. "Five hundred francs for a vote cheapens election to the Senate to thrice zero," was the comment from one of the department's most prominent figures.

### Crazy About Cupidon!

Five days earlier, Mr Cupidon had been arrested and jailed for something entirely different. Paul Cupidon, the government's official artist, the "Caesar of oil-painting," as he is called by his admirers without fear of reproach for excess of enthusiasm. As a result, for years Cupidon, now 61, had been selling collages of butterfly-wings, small boxes carved from rock crystal, and highly imaginative family coats of arms.

In Morne-a-Leau, a town in the middle of Grande Terre, works by Cupidon were so ubiquitous that they covered every inch of available wall-space in City Hall, even as the municipal deficit was soaring. The mayor, Andon Saman, a former confidant to Mme Lucette Michaux-Chevry and secretary of state to the French-speaking community, was forced to resign at the end of March. Today, he risks indictment: fraudulent billing, violations of rules governing public markets. Over 1 million francs were allegedly embezzled out of the 2.5 million francs in paintings ordered. Since the money was withdrawn in cash, it will be difficult to establish whether it was used for personal or political purposes. But the matter may go beyond Morne-a-l'Eau: What municipality did not buy its own Cupidon, whether or not it was acting in good faith? Then again, the whole affair might suddenly blow over, like the regional council "scandal," which, curiously enough, no longer seems to interest anyone.

### "Playing Zorro"

If one reads the report ordered from a private expert by the new socialist president of the region, Felix Proto, concerning the administration of his RPR predecessor, Jose Moustache, one nevertheless finds cause for stinging criticism (LE MONDE, 9, 10, 11, 14 and 23 September).

In the peripheral organizations financed by the regional council, carelessness borders on bungling and illegality. The Regional Institute for Economic Promotion (IREPE) occupies premises without paying rent and signs agreements with the region without having legally filed as an association. The Regional Company for the Study and Promotion of Development (SOREP), a joint venture, has not paid a cent to social organizations after being set up on the basis of a false declaration and at an exorbitant cost.

All in all, a most promising scandal, especially since one has every reason to wonder whether such irregularities do not conceal the actual misappropriation of funds, even if such embezzling has not been established by the author of the report, for lack of more thorough investigations. For example, one would love to know what happened to the some 700,000 francs paid to IREPE for an "integrated development operation" carried out "under the direct and sole control" of Henri Lothier, then Moustache's chief of staff, but not involved in



the association and who "never filed any accounting of expenditures or report on the mission." Like Dicale, one would also like to understand the "purpose" of the mission in Brazil that cost SOREP 170,000 francs and read the report he could not obtain, "even through the bailiff," on the activities of the company, which in March found itself with an overdraft of some 1 million francs.

Has the new regional team done any probing? Has it dug, scratched, probed, reconstructed the paper trail of expenditures? No way! Upbeat, enamored of the sound of his own voice, Mr Proto, at 44, would clearly prefer to concentrate on the Region's future. But, he adds, candidly: "As to whether or not there has been deviation of funds, I am not inclined to burden myself with this kind of issue. Here on Guadeloupe everybody knows everybody else. This is no time to start playing Zorro."

Moral of the story: Woe betide the local LE MONDE correspondent who pushes too hard: she's the one everybody would love to see in the pillory!

What more is there to say, except that the treasurer and paymaster-general, informed by Mr Proto, submitted a brief page of observations and suggestions, of which, in the general opinion, the most urgent was to wait and see, and that the prefect, Yves Bonnet, not in the least upset, opted instead to inform the Regional Audit chamber of the Socialist team's supplementary budget for 1986, on some points of detail, according to the opinions of expert magistrates....

The local right wing, headed by Mme Michaux-Chevry, voted in the heat of battle in favor of a resolution forwarding the whole matter to the Regional Audits chamber for a ruling, which was not within its jurisdiction, until some of its members tactfully mentioned "that business about Felix Proto's diamonds." That was a matter dating back several years: the stomatologist had imprudently borrowed a sum of money secured by a purchase of diamonds in safekeeping abroad.

Both Mr Moustache, former regional president and Philippe Chaulet, regional adviser (several times re-elected) and former IREPE treasurer, pleaded "youthful folly" on the part of elected officials who had served as "guinea-pigs in the decentralization process." Be that as it may, Moustache assures us, all expenditures can be justified, and neither he nor chief of staff had "touched a single centime." Why probe any further? "You're going to give Guadeloupe a negative image. Go write an article on tourism!" was Chaulet's advice.... That left only one straw to grasp at to find out just what was going on: the Regional Audit Office. That jurisdiction would hear the case "at the proper time," meaning when all accounts filed during the period in question are before it, we were told by its presiding official, Mr Bernard Girel.

The next few months were to see yet another matter go to trial: the SODEG [Guadeloupe Development Company] case which, had it not been so inextricable and crammed--even more so this time--more in the mother country than on the island, would lead to one of the major scandals of recent years.

Diversion of public funds amounting to about 50 million francs, whose principal beneficiaries have yet to be clearly identified, had been discovered in 1981 in

this company, which was jointly controlled by the Department and SCET, a subsidiary of the Deposit and Consignment Bank, which numbered among its officers the entire local political "establishment," as well as the then-prefect, Guy Maillard, who today is secretary-general at the Paris City Hall.

Two brothers, members of one of the most influential families on the island, Messrs Philippe and Jean Audebert--the latter an ex-"capo di Capi" on Guadeloupe and a close friend of Jacques Foccart, himself Guadeloupian-born--had been indicted in 1981 along with five others. As he dropped out of sight after that, what with expertise and counter-expertise, the case was dropped despite an edifying report from two Finance Brigade inspectors, the file is now gathering dust in the prosecutor's office in Basse-Terre. "The sentences are not likely to prove exemplary," one high-court judge admitted, with a sigh. And yet, says the socialist chairman of the council-general, Dominique Larifla, "The public is very eager to know what judicial follow-up there will be on this matter."

Meanwhile, reparations should be settled once and for all between the state and the department at a meeting scheduled for 8 January at the DOM-TOM Ministry. AGAT, the company that took over from SODEG, will be liquidated amicably, and the taxpayers will share the enormous burden of accumulated indebtedness: anywhere from 70 to 80 million francs for the Department of Guadeloupe, about 35 million francs for the state, and 50 million for the Deposit and Consignment Bank.

"Politicians are thieves!" That's the verdict of the Independantists, placarded along the streets in no uncertain terms. But, while they are not unaware that the opprobrium heaped on the political class by every scandal can only strengthen their case, the "anticolonialists" are familiar with the limits of such effects. Of course, the "affairs" scandalize the "rank and file" Guadeloupian, but many of them appreciate the sporadic open-handedness of their elected officials. Almost every municipality thus maintains an army of municipal employees, often with nothing to do, as much out of the habit of "helping their own" as to ease the pain of unemployment that affects 30 percent of the labor force. "As a result, the population at large does not feel the agony as do the poor in the face of corruption in Central America," explains one Independantist, Fred Hermantín.

By dint of finding jobs, of welfare--with the boost of decentralization--these "pantry-towns" have generally turned into bottomless pits that simply swallow money. Whereas in the mother country "they send for the ambulance when the deficit reaches 15 percent of the budget," the proportions are often doubled, if not tripled, on Guadeloupe.

In 3 years, the Regional Finance Chamber has had occasion to ascertain the situation in more than two-thirds of these towns. The reason for all these chronic, intractable deficits: the size of the expenditures for salaries, but also the low local tax rates, the scope of investments still needed, the lack of training and--always--the fact that nobody cares. Down here, everybody knows perfectly well that the mother country is far too fond of its Antillean "dancers"--to use the expression for which Giscard d'Estaing was reproached so long ago--not to continue supporting them and taking care of them in spite of all their shenanigans....

[Box, p 4]

Corine Lesnes, Pointe-a-Pitre: A Pawky Judge

"Given our security problems, we are ready to contemplate any assignment at your convenience": despite this "invitation" that arrived in the form of a letter reaching us here about 15 days ago, Robert Tchalian has no intention of "resigning under pressure." Hence there is no question in his mind about leaving office as prosecutor for the Pointe-a-Pitre court. He has an escort of two CRS guards, as he has had ever since the assassination attempt on him on 24 June 1985.

At age 31, he came to Guadeloupe in January 1985 from Digne. Mr Tchalien will long be remembered, no matter what happens, as the judge who was bold enough, or rash enough, to issue confiscation orders pertaining to financial dealings in this department where "overlapping interests" between public figures and politicians have never escaped the notice of the judicial hierarchy.

One after the other, in 1985, he charged three local potentates and touched off what was to all intents and purposes a revolution: Raymond Vivies, former ranking member of the Gaullist Party; Jean Audebert, former president of the Employers' Union and influential member of the Beke [white] community, and lastly, Romain Bichara, czar of the grocery distribution business. Moving fast, Tchalian is determined to let it be known that the courts must protect and defend "the last remaining departmental turf."

After the murder attempt, the man who fired the shot, a go-between and Vivies himself identified Bichara as the mastermind behind the plot, and the 70-year-old merchant was jailed on 1 June of last year. The prosecutor's office turned down an initial petition for his release, citing the "pressures the accused might bring to bear on witnesses, then granted the second request, since the plaintiffs had suddenly withdrawn their suit. Finding himself without support, the judge had no alternative other than to bring a civil action, and chose as a member of his defense team an Independantist attorney, Counselor Hermantin....

Eventually the chancery began to move and, in November, asked that the trial be conducted "with all deliberate speed." It must be said that commission-grocery czar Spiessens, who had overheard the wife of one of the plaintiffs complain that she had received threats, made no secret of his displeasure at Bichara's release.

Is this truly "reminiscent of colonial justice" as the Independantists allege? It is true that Vivies, whose name is so often bruited about these days, was never the least bit worried, any more than was Edouard Chammaugon: he, when questioned--at a time before he became an RPR-associated deputy--admitted that, during the SODEG, he had indeed accepted 60,000 francs.

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CSO: 3219/1

GANJA IN AGRICULTURAL EXPORTS DRAWS GOVERNMENT WARNING

Kingston THE DAILY GLEANER in English 30 Apr 87 p 1

[Text] Discovery of ganja in a shipment of farm produce from Jamaica at Heathrow Airport in London this week has led Deputy Prime Minister the Rt Hon Hugh Shearer to issue a stern warning to exporters of agricultural products that "if you lend your exporter number to any exporter and we find drugs in his shipment, your exporter number will be cancelled immediately."

The warning came as the Deputy Prime Minister expressed deep concern while addressing farmers, farm leaders and farm exporters at the Annual Luncheon hosted by the Jamaica National Exporters' Association in honour of agricultural exporters, at the Mandeville Hotel yesterday. He declared:

"Ganja continues to be a serious threat to our legitimate exports. My concern is that while the efforts made by the JNEC to increase the awareness of the problem and to address the issue and increasing exporter awareness by a series of seminars, there are still exporters who are not taking the matter seriously.

"Just last week, it came to my attention that one exporter, in order to facilitate another businessman, allowed him access to his exporter number. The result was that a quantity of ganja was found in the shipment at Heathrow Airport in London. The company involved has been removed from the list of exporters until the Police are given an adequate report. This is in addition to previous cases in Canada and the United States of America."

The Deputy Prime Minister also told the luncheon group that before coming to the luncheon that day he had received news that "a very prominent businessman who is doing good business in adjoining parish was just arrested in England for this sort of activity." He then went on:

"I must emphasize that there is no point in the JNEC identifying markets, taking you to trade fairs, obtaining orders, trying to get good prices and then having it jeopardized by carelessness and criminal activity."

He called on farmers to "assist in the campaign by taking a firm stand against the inclusion of drugs with their products, because you are going to lose everything that you have invested in it."



"The latest result is that your products are being delayed at the ports as they await inspection: and it is taking a long time for the inspection to be put in place. By the time the delay and the inspection are over, your goods, locked up in containers, are not fit for sale... If you don't take an interest, I tell you that you, the farmers, are going to lose thousands and thousands of dollars.

"It is not a problem for the political government alone or for the Police alone; it is a problem for you the farmers to take steps to ensure that exporters don't put drugs with your products which you have worked so hard to produce.

"And I want to go a step further to tell you that in any case in which we find an exporter's goods containing drugs, his exporter number will be cancelled immediately--not next day or next year.

"And if any other exporter who may also be in the business lends him his exporter number to ship goods and ganja is found in that shipment, the one who lends his exporter number will have that number cancelled and there will be notification to the shipping companies and to the airlines not to accept that exporter number again," he declared, to loud applause.

The luncheon was one of the highlights of Farmers' Month celebration.

[On page 1 of the same issue, the DAILY GLEANER reported separately:

[In the course of his Budget speech to Parliament on Tuesday Deputy Prime Minister Hugh Shearer dealt with the impact of illegal drugs on the island's trade. He said that in the last 27 months to the end of March 1987 107,000 lb of ganja had been found in export shipments by sea from 28 companies. And as a consequence 99 exporters had been removed from the JNEC's list of registered exporters last year.

[He said that some of these were borrowing export numbers from other exporters, and he warned that if they were found out the lender of the number would also be struck off the register].

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CSO: 3298/223



PARLIAMENT DEBATES BUDGET; TRADE, OTHER FIGURES CITED

Added Funds for Agriculture

Kingston THE DAILY GLEANER in English 30 Apr 87 pp 1, 3

[Text] The agricultural sector will be spending \$117.1 million more this year than it did last year and much of that money will be targeted to small farmers. A total of \$341.8 million has been provided through the Ministry of Agriculture and the Ministry of Finance.

The Government, this financial year, will be using two main policy approaches "which will directly uplift the small farm sector," the Minister of Agriculture, Dr Percival Broderick, told members of the House of Representatives yesterday as he made his contribution to the 1987-88 Budget Debate.

Hillside development of agriculture and the land titling project are the two strategies he referred to.

Increasing population density and soil erosion were having detrimental effects on crop yields, and it had become urgent to implement proper soil conservation to protect the ecology and put the hillsides to more productive use.

It will, he added, combine proper land use, "largely through the development of perennial cropping and agro-forestry, with production of crops for which there is very good demand, and which can therefore provide much improved income levels for farmers.

The Minister said that his Ministry had been working with foreign donors and in February this year the Prime Minister, the Rt Hon Edward Seaga signed an agreement with US-AID. The total cost of the project would be \$22 million with US-AID making a grant of \$16.5 million.

A second project supportive of the hillside strategy was in an advanced stage of preparation and hopefully would be appraised by the donor agency IFAD this year. The main objective would be to enable hillside farm families to increase production and productivity of agricultural commodities while minimising land erosion.

In respect of the land titling project, Dr Broderick said small farmers would be helped to obtain titles so that they could access credit. It would be complemented by the upgrading of infra-structure of existing land settlements to the standards required for takeover and maintenance by central government.

Between 1938 and 1986, of the 162 properties, comprising 158,700 acres which were subdivided into 32,235 lots "we were only able to issue 20,165 titles. This has been a severe deterrent to increased farming activities by farmers without titles and out of a deep concern to remedy this situation" the project had been developed and was before the Inter-American Development Bank for consideration, the Minister said.

Forty-seven projects of 4,250 lots would be converted from leasehold to freehold, and the issue of titles. It also entailed, he said, the immediate issue of 12,070 overdue titles, and formal surveys, and implementation of adequate water supply systems, to be able to issue an additional 24,229 titles making a total of 36,299 titles over a five year period, Dr Broderick said.

Crop care and crop protection, production of seedlings, the building of tanks, development of bee-keeping, rehabilitation of small farmers' citrus, provision of credit through the P.C. Banks, assistance to build or repair 1,000 pimento barbecues were some of the areas named by the Minister as being specifically geared to help small farmers.

"To suggest that an Administration could ignore, or be insensitive to the needs of farmers who produce 80 percent of the food consumed locally and 35 percent of the sector's export, is to be blinded by the blinkers of political persuasion," Dr Broderick said.

#### Trade Balance

Kingston THE DAILY GLEANER in English 30 Apr 87 p 9

[Article by Carl Wint]

[Text] Jamaica's balance of merchandise trade last year was in deficit by US\$379.6 million (J\$2,087.8 million) according to the External Trade Report recently tabled in the House of Representatives. It was the lowest adverse trade balance since 1982.

Exports grew by 3.9 percent to US\$589.5 million (J\$3,242.25 million) over 1985 following a 19 percent decline that year. Imports declined by 15.3 percent to US\$969.1 million (J\$5,330 million).

Citing conditions in the world economy last year, the report noted that with Jamaica's dollar being tied to the U.S. dollar and that currency sliding against the pound sterling, Jamaica's exports were made more competitive in sterling markets.

It added that the sharp decline in oil prices "brought about significant changes in Government's policies. The stabilisation and the Structural Adjustment programme were partially shelved. The fuel bill fell from US\$367 million (J\$2,018.5 million) in 1985 to US\$195.4 million (J\$1,074.7 million)."

According to the report "on the negative side Jamaica's external trade suffered from the growing protectionist threats in principal third country markets, particularly that of the United States. Exports under the Caribbean Basin Initiative (CBI) have been less than anticipated and Jamaica received reduced quotas for sugar and sugar-based products. There were also protectionist barriers to Jamaica's textile and footwear entering the U.S. market."

It noted that there were renewed efforts to liberalise and increase intra-regional trade and in particular trade with Trinidad and Tobago, Jamaica's largest market in Caricom. But Trinidad introduced a two-tiered exchange rate in December 1985 and eventually devalued the dollar, while continuing to maintain the on-tariff barrier.

Looking at the local scene, the report noted that the threat to Jamaica's international trade posed by drug trafficking and other illegal exports increased. "Jamaica's exports were subjected to increased scrutiny by Narcotics and Customs Authorities in the United States and the United Kingdom resulting in delays in delivery."

Imports of raw materials consumed 54.2 percent of the import bill, 7.3 percent less than in 1985, and a consequence of the decrease in the share of fuel imports. Capital goods had a marginal increase moving from 24.7 percent to 25.3 percent. Consumer goods had an increased share of 6.7 percent making it 20.5 percent of the import bill last year.

"After three consecutive years of declining expenditure on consumer goods, imports in 1986 went up by 25.7 percent from US\$158.2 million (J\$870.1 million) to US\$198.9 million (J\$1,093.9) million. The demand for imported consumer food increased by 19 percent. There were increased imports of meat and meat preparations, fish and fish preparations and beverages," the report noted.

Imports of cereal and cereal preparations declined significantly. In the non-durable consumer goods group imports of pharmaceuticals, books, cosmetics and cleansing preparations "showed fairly large increases, while footwear showed an 8.9 percent decline."

In the export sector traditional--bauxite, alumina, sugar and bananas--improved their overall earnings by 6.8 percent, an increase of US\$23.4 million (J\$128.7 million). Bauxite earnings moved up by US\$12.7 million (J\$69.9 million) to US\$90.1 million (J\$495.5 million). Alumina was estimated to earn US\$205.4 million (J\$1,129.7 million) or US\$6.8 million (J\$37.4 million) less than in 1985.

Receipts from sugar moved to US\$62.2 million (J\$342.1 million) last year while bananas increased in earnings from US\$5 million (J\$27.5 million) to US\$9.2 million (J\$50.6 million). Rum showed a significant increase in earnings at US\$10.1 million (J\$55.5 million).

Earnings from non-trationals stood at US\$162.2 million (J\$892.1 million) a 5.3 percent increase over 1985. Food, cut flowers, other live plants and foliage and wearing apparel continued to increase their earnings, the report said.

And in Caricom the island's trade balance moved from a deficit of US\$22 million (J\$121 million) in 1985 to a surplus of US\$10.9 million (J\$59.9 million) in 1986.

### Shearer on Exports

Kingston THE DAILY GLEANER in English 1 May 87 p 2

[Text]

THE value of non-traditional exports increased by 12.1 per cent last year to US\$260.7 million (about J\$1,433.85 million) Deputy Prime Minister and Minister of Foreign Affairs, Trade and Industry the Rt. Hon. Hugh Shearer said on Tuesday as he made his contribution to the 1987-88 Budget Debate.

He said that exports from the Customs territory increased by US\$7.7 million (J\$42.3 million) from US\$191.3million (J\$1,052.1 million) in 1985 to US\$199 million (J\$1,094.5 million) in 1986, a four per cent increase.

Garment exports amounted to US\$97.7 million (J\$537.3 million), an increase of US\$47.4 million (J\$260.7 million) or 94 per cent over 1985.

Mr. Shearer said that during the year the Jamaica National Export Corporation under its Exporter Registration Programme registered 157 new enterprises, and took part in 24 trade fairs and other promotional activities.

He said that through the JAMEXPORT programme of market penetration orders for US\$19.6 million (J\$107.8 million) were negotiated under inward buying missions and trade fairs and an amount of US\$14.2 million (J\$78.1 million) had already been delivered. A further US\$62.8 million (J\$345.4 million) of export orders were nego-

tiated last week under the JAMEXPORT programme by JNEC and its trade commissioners, Mr. Shearer said.

In all, new orders of US\$82.4 million (J\$453.2 million) had been made under the programme with US\$52.9 million going to the United States, US\$6 million to Canada and US\$13.5 million to Europe.

He recalled that during the year the US-Jamaica bilateral textile agreement was negotiated and came into force, creating the basis for substantial increase of garment exports from Jamaica into the United States. "Garment exports from the 148 companies registered with the JNEC accounted for 37.5 per cent of all non-traditional exports, including those from the Free Zones," the Deputy Prime Minister said.

And, he added, jobs in the garment industry increased by 4,000 in 1986 and now stood at 20,500. "It is of importance to note that the CMT (Cut, Make and Trim) production accounted for 10,000 jobs; 807 for 8,000 jobs and the companies that do both for 2,500 jobs. In 1986 28 new garment companies started up, Mr. Shearer told the cheering members of the House of Representatives.

He said that the Government had pursued a deliberate policy of encouraging development of the garment industry in rural areas. Ten

new garment factories commenced operations in rural areas as a result of a programme "that gives additional quota benefits to manufacturers who set up operations in the country parts," he said.

The Deputy Prime Minister said that a plant in Yallahs would start with 300 workers in June, increasing to 1,000 by 1988. Others would come on stream in Clarendon, St. Mary, Hanover and St. Catherine. He said that the JNEC would be increasing the quota allocated to the rural areas to 30 per cent.

Turning to the American Association of Importers of Jamaican products the Deputy Prime Minister said its membership now stood at 1,167 in 22 states. Last year the group imported US\$152 million (J\$836 million) and orders for 1987 have been made for US\$187 million (J\$1,028.5 million) and the target for

delivery for the first quarter has been surpassed."

He said that JETCO, the JNEC's trading arm, exported \$42 million with 98 per cent going to hard currency markets in 26 countries.

Mr. Shearer said that to maximise the gains from the Free Zone operations a new scheme had been launched to encourage companies in the Zone to supply raw materials and machinery on a subcontract basis, to companies within the customs territory particular those in rural areas. In addition companies outside the Free Zone have been encouraged to sub-contract to Free Zone companies, the Deputy Prime Minister said.

He said that 15 Jamaican companies had benefitted under the subcontracting arrangement to a value of US\$15 million (J\$82.5 million).

### Production Statistics

Kingston THE DAILY GLEANER in English 1 May 87 The Financial Gleaner p 5

[Article by Carl Wint]

[Text]

THE Production Statistics 1986 reflect a mixed bag of improvement and decline with 26 products gaining ground and 16 falling off. Figures for 1986 were not available for two of the products listed in the document tabled in the House of Representatives last Thursday.

Bauxite production increased from 6.2 million tons in 1985 to 6.9 million tons last year for a value of \$1.2 billion. Alumina followed suit, rising from 1.5 million tons in 1985 to 1.5 million tons last year for a value of \$1.1 billion. But gypsum declined from 176,000 tons in 1985 to 142,000 tons last year, for a value of \$4.8 million.

The production of poultry meat was up from 43 million pounds in 1985 to 54.4 million pounds, valued at \$201.8 million in 1986. Production of ham slipped from 478,000 lb. in 1985 to 304,000 lb in 1986, at a value of \$2.1 million. Bacon was also down, from 280,000 lb. in

1985 to 189,000 lb. last year, at a value of \$1.4 million. Sausages, frankfurters and bologna moved from a production of 1.8 million lb in 1985 to 2.3 million lb last year, for a value of \$14.3 million.

Condensed milk improved from 42.9 million lb. in 1985 to register at 53 million lb. and a value of \$137.9 million last year. The preserving of fish was also better, with 1985 production being 1.9 million lb., increasing to 2.1 million lb at a value of \$10.6 million in 1986.

Edible oil moved from 3.1 million gallons in 1985 to 3.6 million gallons last year, for a value of \$81.2 million; while edible fats moved from 19.5 million lb. in 1985 to 23.4 million lb. last year for a value of \$66.9 million.

Flour production was also up, from 290.4 million lb. to 306 million lb. last year at a value of \$201.7 million. But cornmeal failed to match that pace and slipped from 45.2 million lb. to 42 million lb., for a value of \$20.9 million. Sugar was



In the same bag, slipping from 221.9 million long tons in 1985 to 202.9 million long tons in 1986, for a value of \$371.2 million.

Molasses production was up from 81,204 long tons to 83,075 long tons at a value of \$23.3 million in 1986. Rum production was also off, slipping from 14.7 million litres in 1985 to 14 million litres last year at a value of \$53.2 million. Alcohol, including gin, was up from 2.3 million litres to 2.4 million litres at a value of \$11.9 million last year. Beer and stout went from 12.5 million gallons in 1985 to 13.9 million gallons in 1986 and had a value of \$367.2 million.

Aerated water production moved up from 8.2 million gallons to 10 million gallons in 1986 and had a value of \$147 million.

Poultry feed jumped from 208.5 million lb. in 1985 to 221.2 million lb. last year for a value of \$107.8 million. But pig feed was down from 102.5 million lb. to 71 million pounds and a value of \$29.3 million. Cattle feed improved from 38 million lb. to 45.4 million pounds and a value of \$18.2 million.

Cigarette production was down from 1.3 billion to 1.14 billion last year and a value of \$286.5 million. So, too, was cigar production, from 20.9 million to 19.6 million and a value of \$44.1 million.

Carpeting moved from a production level of 66,825 square yards to 117,599 square yards last year and a value of \$4.8 million. Cloth production soared from 575,000 square yards to 1.4 million square yards last year and a value of \$9.3 million. But sisal twines lost ground, slipping from 37,596 lb to 29,020 lb in 1986 and a value of \$139,000.

Newspapers moved from 36 million copies in 1985 to 37.4 million copies and a value of \$72.9 million.

Production of oxygen was down from 28 million cubic feet to 27.5 million cubic feet and a value of \$2.3 million. Production of acetylene was up from 7.1 million cubic feet to 7.6 million cubic feet and a value of \$4.3 million. Hydrogen moved from 4.2 million cubic feet to 4.9 million cubic feet last year, and a value of \$812,000. Nitrogen was also up from 806,000 cubic feet to 927,000 cubic feet and a value of \$136,000.

The production of fertiliser was up from 38,270 tons to 43,937 tons and a value of \$6.1 million. There were no figures for paint production for 1986 but the production of putty was off, slipping from 80,000 lb. to 43,000 lb. and a value of \$98,000.

Soap production increased from 12.1 million lb. to 13.6 million lb. and a value of \$49.8 million, but detergents figures were lacking for 1986.

There were slightly less passenger tyres produced in 1986 than in 1985. In 1985 the production stood at 141,376 while last year it was 141,192 for a value of \$23.3 million. Truck and bus tyres did better, going from 86,744 in 1985 to 74,061 in 1986 and a value of \$28.7 million. Tractor tyre production skidded from 1,807 to 1,467 and a value of \$1.3 million. Tube production was off, slipping from 52,845 to 44,275 and a value of \$2 million.

Cement production registered 236,667 long tons in 1985 and moved to 243,199 long tons in 1986 and a value of \$108.4 million. Concrete stood at 35,742 cubic yards in 1985 and 64,205 cubic yards last year, with a value of \$19.4 million; but steel was down from 12,157 long tons in 1985 to 11,531 long tons last year at a value of \$24.2 million.

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CSO: 3298/223

## PNP COMMENT ON GOVERNMENT PROGRAMS, OTHER DEVELOPMENTS

## Mullings on Government Cutbacks

Kingston THE DAILY GLEANER in English 1 May 87 p 3

[Text]

People's National Party (PNP) spokesman on Finance, Mr. Seymour Mullings said yesterday that there is likely to be a cutback of J\$350 million in the capital programmes appearing in the Estimates of Expenditure for the 1987/1988 budget.

Speaking at the party's Peoples Forum at the Oceania Hotel, Mr. Mullings said based on cutbacks of \$250 million made in the capital budget announced last year, the country can have no faith in Prime Minister Edward Seaga's promise to spend \$1.8 billion on capital programmes this year.

Specifically, Mr. Mullings noted significant cutbacks in multi-lateral and bilaterally-funded programmes in the Ministries of Finance, Public Utilities, Agriculture, Education and Health.

He said that in checking on the Ministry of Public Utilities, for example, he discovered that the multi-lateral/bilateral capital programme of that Ministry had been underspent by \$53 million last year. Meanwhile the Ministry of Education's capital budget was underspent by \$33 million and the Ministry of Finance was underspent to the extent of \$101 million.

The Party's Finance spokesman criticized the manner in which the budget was presented without the usual laying out of Revenue Estimates and financial statements, put

out by the government statistics department.

He continued "little wonder, when he completed his speech, the country was none the wiser as to how the expenditure of \$4.2 billion recurrent and \$2.8 billion capital was going to be financed.

"Little wonder, the people who listened questioned the relationship between the statistics he gave and the reality of the Jamaican situation, particularly, as it pertained to certain economic indicators."

Mr. Mullings said while the 1987/88 budget made promises of everything to everybody, many of the promises as they related to roads, water supplies and new schools were a repetition of the very same promises made last year.

The announcement of 50 new schools in particular, Mr. Mullings said this was the fifth year running. He said this was intended to create an impression in the minds of simple people that here was a government which was continually building schools when in fact this was not so.

Mr. Mullings' presentation at this the second PNP "People's Forum" for 1987 focussed on government's divestment policy, external trade and debt, the importance of social services, education, health, youth and community development, housing, agriculture, tourism, mining, and new PNP programmes

## Patterson on Seaga Tax Policies

Kingston THE DAILY GLEANER in English 5 May 87 p 3

[Text]

THE tax package imposed by the Government in 1986 was \$900 million, from one of \$183 million in 1983, according to the Chairman of the People's National Party, Mr. P.J. Patterson.

"He (Prime Minister Seaga) has put on more taxes in four years than all other Governments of Jamaica put together since Christopher Columbus first came to Jamaica," said Mr. Patterson, speaking at the annual conference of the PNP's North East St. Andrew constituency at the New Day All-Age School, Drumblair, on Sunday.

He said that in 1983 there was a tax package of \$183 million which increased to one of \$480 million in 1984 and to \$575 million the following year. In 1986, he said, this package was \$900 million.

"This year they come with the 'face card' and tell you no more new taxes. Spirit licences gone up. What are the facts for this year?"

Mr. Patterson said that seven years after the JLP came to power, Jamaica was producing less goods in 1987 than under the worst years of the PNP.

He also spoke of the movement in property taxes and said that landowners in the constituency who used to pay \$150 now pay \$1,712.

He said that in 1982 the Prime Minister had said that he found all the money to build 12,000 housing units every year for poor people, but from 1981 to 1987 12,000 units had not been built. "Where has all the money gone?" Mr. Patterson asked.

When the PNP left office, Jamaica owed \$800 million abroad. Today the country owed US\$3.5 billion (or J\$19.25 billion) — more than four times as much, he said.

Mr. Patterson said he believed the results of the current enumeration exercises would determine the country's political future.

"If when the lists are completed Seaga believes that the PNP has been skylarking and we have failed to get our people on the list, he is going to hold on for dear life. If we do our job properly and the thousands of young men and women get on the list, he is going to realize that him corner dark," Mr. Patterson said.

"We have a solemn obligation. Many people do not realize that if you are on the list already you have to be enumerated again. If you are not enumerated again, your name is going to be crossed off the list.

"The tide is turning even in some of those supposedly middle-class areas. The industrialists have decided to stand firm," Mr. Patterson said.

The candidate for this area is Mr. Peter Thomas who Mr. Patterson described as a candidate of "excellent political potential" and "an energetic and dynamic worker".

Reporting on the physical progress of PNP President, Mr. Michael Manley, Mr. Patterson said that his rate of recuperation was faster than even the doctors could have hoped.

He had visited him on Friday and found him "moving around very comfortably" and being "able to drive himself". Mr. Manley had gone up into the hills to rest and tend his plants, he said.

## Demand for IMF Disclosure

Kingston THE DAILY GLEANER in English 11 May 87 p 18

[Text]

PEOPLE'S National Party Chairman, P.J. Patterson wants Prime Minister Edward Seaga to tell the country how Jamaica performed in the April IMF quarterly test.

Mr. Patterson addressing NWU delegates at yesterday's Region 6 seminar at the Oceana Hotel, said it was time for Mr. Seaga to tell the country whether Jamaica passed with flying colours, whether the country barely scraped through or if the country was on target.

The PNP Chairman said the IMF agreement should not be regarded as some secret deal between Mr. Seaga and the Fund.

Mr. Patterson said he believed

there should be more open government. He said if Mr. Seaga had differences with the IMF it was not the workers fault, but it was Mr. Seaga who has announced a budget which was over \$1 billion above the ceilings permitted by the IMF.

On the matter of divestment, Mr. Patterson said the assets to be sold were either built or acquired by the PNP. He cited the Jamaica Broadcasting Corporation, Radio Jamaica, the Caribbean Cement Company and the Hotels and real estate in Ocho Rios and Rose Hall, St. James.

He continued: "If they believe they going to sell it to any friends or sleeping partner whether here or in Cayman, they have another guess coming?"

## Manley's Health

Kingston THE DAILY GLEANER in English 12 May 87 p 2

[Text]

PRESIDENT of the People's National Party (PNP) Mr. Michael Manley is recovering well and is set to publish his latest book "Up the Down Escalator" on June 14, according to the Party's Chairman, Mr. P.J. Patterson.

Mr. Manley who underwent surgery in March, will welcome African National Congress leader Oliver Tambo to Jamaica in July as one of his first official acts when he resumes Party duties in July.

Mr. Tambo who is being invited to Jamaica by the National Workers Union (NWU) will be guest at dinner in Kingston on July 4 and will be special guest at the NWU congress which goes into official session on July 5. Mr. Patterson

gave details of Mr. Manley's progress and plans to participants at the NWU region 6 conference at the Oceana Hotel yesterday.

The Party chairman described as "devious speculations" certain comments made on Mr. Manley's health during the past week by callers to the two call-in radio programmes.

He said when he saw Mr. Manley on Friday last he was looking robust and was preparing to go off into the hills. He said after Mr. Manley launches his book, he will resume internal party activities such as putting the final touches on a certain document, "as we prepare to assume the reigns of government whenever the elections are called".

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CSO: 3298/223

WORKERS PARTY LEADER MUNROE DISCUSSES POLICIES, AIMS

Kingston THE SUNDAY GLEANER in English 10 May 87 p 11A

[Interview with Dr Trevor Munroe, general secretary of the Workers Party of Jamaica (WPJ), by Vincent Tulloch at Munroe's home in "late" April 1987]

[Text]

**A**LMOST a decade ago, (1978), during the era many like to remember as the turbulent Seventies, but which others saw as the turning point in the awakening of the political consciousness of the Jamaican people, a political party was born.

The Workers Party of Jamaica (WPJ), an outgrowth of the Workers Liberation League, entered the political arena of Jamaican politics as a third party, an avowed Marxist Leninist party (communist/scientific socialist).

The WPJ, by its mere survival has set a record as the longest established third political party in the country and according to its founder and General Secretary, Dr. Trevor Munroe, it will be here as a force for years.

Dr. Munroe, Rhodes Scholar and Senior Lecturer in Government, Faculty of Social Sciences, University of the West Indies, has been a guiding force of the Party, which though still a minor one, is an important political force in the country. It counts among its membership some of the nation's brightest nationals. Additionally, its disciplined approach to politics and its strong links with the intellectual community, merits important attention being paid to it.

With the view of getting a better inside look at the WPJ, 10 years after its establishment the *Gleaner* spoke to its General Secretary Dr. Trevor Munroe late last month. We present excerpts from that interview.

**GLEANER:** The WPJ — you have been establishing it as one of the three political parties in the country. Where exactly is the WPJ today in relation to the major political parties?

**MUNROE:** "Where the WPJ is today in the scheme of Jamaican politics has to be seen in relation to where third parties in Jamaica have been able to get over the last 30, 40 years. As you know, the WPJ has been around for 10 years. The third parties that have tried — and there have been over two dozen of them, have been lucky to be around for 10 months."

Stating that they have not disappeared for want of leadership, or lack of money, he pointed out that their demise was due mainly to the extent to which the two



major parties — Jamaica Labour Party and People's National Party — have gained support and dominated politics.

### ● Re-examination

Citing the events that gave birth to the WPJ 10 years ago — grassroot people's struggle for fundamental changes in 1970s against the subjection of workers, women, youth masses, he turned to the WPJ today.

"Where exactly are we now? Against this background, we are now looking at our achievements, looking at our defeats in a very deep examination of our principles, programmes, beliefs, with one aim in mind: how to make the WPJ build on its achievements, strengthen its contribution to the struggle of Jamaica and be more independent, and to the grassroot people for more justice and equality. In other words, the aim of our re-examination of where we are is to make our party more devoted to an independent Jamaica in which the grassroot people will be in charge, where the first will be the last and the last the first."

**GLEANER:** How will this re-examination, whenever it is completed, affect generally the outlook of the Party based on its original concept of a scientific socialist party?

**MUNROE:** "First of all, I cannot say when the discussion is going to conclude, because that internal discussion which will be made public at an appropriate time, and a Congress decision will be taken when the Congress of the Party convenes, which is likely to be next year.

... "What I can say is that in the unlikely event that the WPJ should decide to change from being a party of fundamental change, defending the interests of the grassroot and black people first and foremost, and should it become a party more like the PNP, then I would not be in it. On the other hand we must change much of what we have been up until now.

"My own concept is that we have not sufficiently understood and applied a basic principle of Marxism — that principle is that Marxism is not a dogma; it is a guide. This needs to be more deeply understood and applied and therefore in applying it, our party needs to ensure that it is linked into the concrete conditions of Jamaica and the Jamaican people."

### ● Sacrifices

Reflecting on the struggle of the WPJ over the past decade, Munroe recalled the sacrifices of many members inclusive of careers, tortures, families and violence (he was attacked some years ago on the docks; he said that he bears no bitterness but remembers the taste of his own blood).

This he said would naturally lead some to have doubts about Marxism as an ideology capable of defending and bringing justice to black people in Jamaica.

**GLEANER:** In talking about mistakes that have been expressed by some people in the Party, what are the kinds of mistakes the Party has made?

**MUNROE:** "I think that we have given too much of an impression that we are against the Church, against religion, and haven't understood enough and explained clearly that we are part of a revolutionary tradition of our people in which the revolutionary Christianity of Sharpe, Bogle (Revivalism, Rastafari), has played an important part, and therefore we have to, and do have the deepest respect for that idea and that role in our history."

"The other mistake the WPJ says it has made is that of giving the impression that the Party being Soviet (Russian) first and Jamaican second. This Munroe said must be corrected since people need to know that the WPJ members are true Jamaican patriots.

"Munroe also pointed to errors of the WPJ in relation to developments in revolutionary Grenada. The WPJ, he said, did not see and warn early of the alienation of the New Jewel Movement from the people.

"Being specific, he said that Caribbean political culture recognises political leaders who should be treated with respect once elected, and that was not given due recognition in the Maurice Bishop case.

"**GLEANER:** Turning to the WPJ locally — you talked about being able to be criticised. How democratic is the WPJ in respect of its leadership?

**MUNROE:** "It is not so democratic as I would like it, but it is more democratic in some respects than any other party in Jamaica today or in our modern history, for example."

"He explained how decisions are made, pointing out that discussions in several sections of the Party take place before a position is put to the Congress for approval.

All officers of the Party are elected by secret balloting within the organization.

"**GLEANER:** What is there that is any different from the JLP, PNP, in terms of the figure seen as leader and the Party.

"**MUNROE:** "Our political culture, one of the things about it is that whatever the movement — it is embodied in an individual who people see and respect and follow for the time — that that individual fulfils their needs and I think that this is how it is in the revolutionary movement in respect of the WPJ. It is a hell of a responsibility, because every move you make is something that is assessed in terms of whether it fulfils principles you preach, or diverts from it."

## ● Policy

Turning to Party policy Munroe said that the WPJ supports a policy of non-alignment for Jamaica.

"It means that we have to disentangle ourselves from the dependency, the begging relationship that we have in respect of the United States in particular, and historically, the United Kingdom. It does not mean we are not going to have relations with them."

"Asked if the WPJ will contest elections if called this year, he said no. He said that it was a difficult decision to take but after analysing the Party's performance since 1981 and again last year, the view was that it did not do as well as was expected.

He however made it clear that the Party will continue with its public information work and will support those forces that are working to remove Prime Minister Edward Seaga from office. Seaga, he said, has turned back black people and Jamaica for many decades.

"**GLEANER:** Do you have any fears that Gorbachev could run into serious trouble back home (Soviet Union)?

**MUNROE:** I think there is bound to be internal resistance within the Soviet Union to the changes that Gorbachev is bringing about, and that this resistance and reservation is likely to slow up — even in some cases, block the progress of making their economy more modern, their consumer goods more attractive, their conditions of living at a higher level for the masses, and make democracy more deeper."

Munroe however expressed the view that the reservations and resistance which are natural in any society undergoing changes in any respect will not stop the process of change.

In summing up Munroe said "the WPJ of the 1980s going into the 1990s is not more moderate, but more mature."

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CSO: 3298/223

MINISTER REPORTS ON 1987 CROP LOSSES TO FLOODS, DROUGHT

Kingston THE DAILY GLEANER in English 13 May 87 p 1

[Text]

**Browns Town, St. Ann, May 10**  
(From our correspondent):

AN estimated \$167 million worth of food crops produced on some 22,000 acres of land were lost because of floods and drought earlier this year. Minister of Agriculture, Dr. Percival Broderick, said yesterday. This led to a downturn in agricultural production of 3.7%.

Dr. Broderick was guest speaker at the annual general meeting of the St. Ann Association of JAS Branch Societies at the primary school here. He said that small farmers were mostly affected and that St. Ann recorded the third highest loss of \$13.4 million.

Commenting on agriculture within the parish, Dr. Broderick said that St. Ann was not doing badly and that tourism was providing a stimulus for production. However, recent flood rains did in excess of \$8.5 million damage to the roads.

St. Ann, he said, recorded the highest increase for the production of domestic crops islandwide for the period 1985-1986. This amounted to 16.4%. He also said that the parish performed well in the production of plantains, yams, vegetables, condiments, fruits and potatoes. However, sorrel production fell

from 36 tons in 1985 to 22 tons in 1986.

The Minister of Agriculture commended farmers of the parish for their efforts and said that he was impressed by the amount of plantains produced, as this was a good export crop. He described their performance as excellent and added that a parish which performed like this just needed a little help.

As a result of the recent flood rains some 20,000 banana and plantain suckers had been given to the parish. Other assistance included red peas, 416 bags of seed potatoes, livestock feed, chemicals and agricultural tools.

Speaking about the denudation of trees across the island, the Minister said that "we need to realize that we have to protect our watershed." He advised that Jamaicans should plant more trees and said that the Rio Cobre and Rio Minho areas were being used as pilot projects to develop watersheds.

Dr. Broderick disclosed that government would be spending \$4.7 million to establish a nursery so as to enable small farmers to obtain cheaper plants. Government would also be seeking to package seeds in much smaller quantities so that it would be easier for farmers to purchase these.

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CSO: 3298/223

PRODUCTION OF CRUDE BAUXITE SHOWS QUARTERLY INCREASE

Kingston THE DAILY GLEANER in English 9 May 87 p 3

[Text]

JAMAICA'S total bauxite output (i.e. crude bauxite and the bauxite equivalent of alumina processed locally) for the first quarter of 1987 increased to 1.8 million tonnes or 20% from 1.5 million tonnes produced during the first quarter of 1986.

This improvement was primarily in respect of crude bauxite production which stood at 836,000 tonnes up 34% from the 1986 level. Crude bauxite shipments amounted to 844,000 dry metric tonnes (dmt), a 41% increase over the 600,000 dmt export during the comparable period of 1986. The principal factor in the sharp increase in crude bauxite shipment is the supply for a tolling arrangement by Kaiser Bauxite Company.

Production of alumina amounted to 381,000 tonnes, a modest increase of 2% above the 1986 first quarter.

Alumina shipments increased to 382,000 tonnes, an increase of 8% over the 353,000 tonnes exported in the same period of 1986. Government's share represents 202,000 tonnes or 52.8% of alumina shipments.

Production of crude bauxite by or on behalf of the Government agencies, Jamaica Bauxite Mining Limited, Bauxite and Alumina Trading Company of Jamaica Limited and Clarendon Alumina Production (Alcoa) amounted to approximately 714,000 tonnes or 39% of total output.

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## BRIEFS

AMBASSADORIAL APPOINTMENTS--Mr Stafford Oliver Neil, Director of the Economics Division in the Ministry of Foreign Affairs, Trade and Industry has been appointed Ambassador Extraordinary and Plenipotentiary of Jamaica to Venezuela in succession to the late Reginald Philips. Mr Neil holds a B.A. degree in history from the University of the West Indies, a MSc in Economics from the London School of Economics and a Doctor of Laws from New York University. As a Foreign Service Officer he also served at the Permanent Mission of Jamaica to the United Nations in New York. He is married with two children and will assume duties in Caracas shortly. Recently appointed Ambassador of Jamaica to the Federal Republic of Germany, Her Excellency Miss Patricia Durrant has also been appointed non-resident Ambassador of Jamaica to the Holy See. She is resident in Bonn. [Text] [Kingston THE DAILY GLEANER in English 8 May 87 p 31] /9317

CSO: 3298/223

CDS URGED TO CONTRIBUTE TO CONTRAS' 'DEFEAT'

Managua BARRICADA in Spanish 23 Apr 87 p 4

[Text] The Sandinist Defense Committees (CDS) intend to take action and contribute decisively in 1987 to extending the strategic defeat of the counterrevolutionaries.

To achieve this, they are already working on renewing revolutionary vigilance throughout the country, and are assuming the responsibility of ideological combat for the purpose of defeating the enemies in the social, economic, and political spheres.

The working plan for 1987, approved yesterday by the National Council of the CDS in El Crucero, states that city residents now have a duty to confront Yankee state terrorism.

It points out that in the face of military defeat, the CIA and its mercenaries have adopted a new methodology in the war: sabotaging economic targets in the cities. It also states that revolutionary vigilance will be required to neutralize the enemies in urban areas.

The document places special emphasis on the masses' providing proper protection for the 77th Conference of the Interparliamentary Union, which is being held in Managua just as the Yankee government is changing its approach to the dirty war against Nicaragua.

The CDS propose to take aggressive action so that the other mass organizations and state officials can solve the problems of supply, distribution, and effective controls throughout the country.

The document indicates that in spite of the mercenary war financed by the United States, the standard of living of the workers and inhabitants of the entire country cannot be allowed to continue deteriorating.

It points out that the CDS should repudiate the manifestations of social and economic deviations by undertaking a systematic ideological effort among the organized masses.

The plan is divided into nine lines of work, and the defense of the country is the first one. In this regard, the document states that the CDS movement of solidarity with the families of combatants must be consolidated.

It insists that the death of two, three, or four comrades in the defense of the fatherland cannot be regarded as something normal, while at the same time the enemies continue to sabotage economic and social targets.

It notes that the CDS, with their revolutionary vigilance, must work alongside the State Security forces to prevent the formation of an internal counterrevolutionary front within the cities.

The plan contends that the people's health is a precious treasure, and emphasizes the protection of social property in the schools, health centers, hospitals, enterprises, and ministries.

It assigns a special role to the news media and to journalists "for the purpose of spreading the word about the actions and work of the organized masses across the country."

It does not overlook the fact that international solidarity is playing a significant role in the defense of the Revolution, and it proposes that endeavors continue to cultivate ties of friendship with Latin America, Europe, Africa, and Asia, in particular with the socialist community.

The CDS 1987 Plan gives special attention to the Battle for the Defense of Managua, and argues that the CDS will give decisive support to the Defense Commissions and the combatants who are mobilized, both in Active Military Service and in the Reserve.

The CDS intend to oppose in an organized fashion the attitudes of state officials who overlook the revolutionary missions of the Defense and Labor Commissions, which were organized by the CDS to solve public problems.

The National Council of the CDS discussed the document thoroughly, and the national leaders urged that those present support it.

The regional and zone leaders, Ernesto Alaniz, Freddy Padilla, Santos Lopez, Rosa Zavala, Vilma Arbizu, Walter Ocon, Fernando Martinez, Maxima Bermudez, Santos Lanuza, Otilio Bonilla, Alba Luz Lopez, and Juan Jose Morales, agreed yesterday to join efforts with the Sandinist Front in striving to make ideological work more efficient.

They declared that the passive attitude of some leaders must be eliminated, and that the organizational reinforcement of the rank and file in the cadres must be a concern.

They stated that commercial speculation must be destroyed unhesitatingly, because it distorts the economy and leads to individualistic attitudes among the population.

They asked that the leaders of regions, zones, and neighborhoods become volunteer inspectors for the Ministry of Domestic Trade so that trade can be controlled.

They also noted that the people's knowledge of commerce and economic literacy must be improved so that they will not be deceived by illegal merchants.

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CSO: 3248/312

WAR IN URBAN CENTERS ANALYZED BY CRIES

Managua BARRICADA in Spanish 13 Apr 87 p 3

[Commentary by Monica Zalaquett]

[Text] The explosion of a mine in a neighborhood in the capital, where counterrevolutionary bands had planted it at the foot of an electrical power pylon, shocked residents who until now had seen terrorism only on the television screen or had felt it through the loss of a son fighting on the front.

"They want to bring the war to the cities" was what many thought when they heard that the mercenaries will begin sabotaging economic and civilian targets from now on. These targets include bridges, power pylons, and factories, and to achieve this objective the mercenaries will also attack urban residents.

But this should not come as a surprise. What recourse is left to the guard, decimated by the Sandinist troops who have been waging an uninterrupted offensive for 2 years? What alternative is left for attracting national and international public opinion and convincing a skeptical Congress that the guard should continue to receive financing?

Actually there are very few. Nevertheless, this tactic of terrorism should not be regarded as a last resort, a desperate ploy; what it really amounts to is the execution of a plan that was scientifically conceived and calculated by the CIA for destabilizing the Revolution economically, psychologically, and politically.

"The primary method of the Low Intensity War is the war of attrition or exhaustion . . . the principal objective of the counterrevolutionary effort is not like that of conventional wars, merely to eliminate the enemy physically; it is to gradually undermine the enemy, isolating it internally and externally--in short, to delegitimize it as a political alternative or destabilize it as a political power.

"In military terms, this change in the counterrevolutionary doctrine has a strategic significance that lies in the conversion of the civilian population into the principal target of the war. Thus, it is no coincidence that the



most important component of the Low Intensity War's programs is 'psychological operations.'

"The fronts in this war will be the following: the diplomatic front, where international solidarity will be neutralized and revolutionary forces and governments will be isolated; the military front, where the army will be kept moving constantly in order to wear down the enemy; and the economic front, where development plans will be destabilized and discontent will be aroused in the population."

These paragraphs are taken from the study conducted by the Regional Coordinating Committee of Economic and Social Research (CRIES), titled "Nicaragua: A Country Under Siege." The study presents a detailed analysis of the implementation of the war design used against our country and the "scientific" logic of the tragedy that has befallen us.

The document states that the economic aggression has been aimed since the beginning at destroying the foundations of the Revolution and the original plan of creating a mixed economy with political pluralism, respect for human rights, and nonalignment in international politics.

It adds that the technique of destabilizing through economic chaos proved to be very effective in the Chilean experience, confirming that "the middle classes in particular, incapable of understanding and identifying with the historic process, feel the crunch of the shortages, the boycott, the blockade. They are encouraged to hoard, to speculate, and finally to join the seditious process which, promising a return to 'order,' leads to a bloody coup and a military dictatorship."

That same strategy has been applied against us, except that the revolutionary power, backed by the armed people, the organization, the popular consciousness, and the massive support for the Sandinist program, has prevented the enemy from turning the tide of the Revolution and establishing an internal front to destroy it.

They began with the suspension of bilateral aid, and pressure and blackmail in multinational organizations. Then they proceeded with the commercial blockade while directing military actions against economic targets. This included mining harbors, destroying cooperatives and agriculture-livestock enterprises, and establishing a presence in the most productive territories along the border, such as the coffee areas in the north.

The revolutionary government has reported the overwhelming statistics on the damages to production and the country's economy, which amount to well over \$2 billion. On the international market, meanwhile, the aggressors are finding ways to drive down the prices of our products.

And now they will try anything, be it terrorism, sabotage, or murder, to create disorder and instability in the cities, which have been hard hit by shortages. However, this new terrorist tactic, which brings the Contras closer to the cities, also brings them within the range of the people's vigilance.

For this reason, we must transmit to the entire country the combatants' spirit of unyielding resistance. We must protect, as they do, every worksite, every production or service target, every strategic point in our economy.

We must also arm ourselves with the strength and the spirit of resistance. If this war turns increasingly into an economic battle, then we should be the best combatants on the job, at workplaces, and in schools and hospitals.

If shortages cause a depression, then let us confront them by producing more; if speculation is an ally of the counterrevolution, then let us organize efforts to eliminate it; if discontent begins to take hold, then let us nip it in the bud by defeating confusion.

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CSO: 3248/312

\$7 MILLION GDR 'DONATION'

Managua BARRICADA in Spanish 23 Apr 87 p 5

[Text] The arrival in Corinto of a donation containing a variety of basic necessities, valued at \$7 million, is a manifestation of the strong ties of friendship and solidarity that link Nicaragua to the German Democratic Republic (GDR).

This was stated by the GDR ambassador to our country, Dr Heinrich Marz, upon delivering the donation to Commander of the Revolution and Minister of External Cooperation Henry Ruiz. The ambassador added that the solidarity of his government, party, and people with Nicaragua as a result of the triumph of the Revolution has been not only in words, but also in deeds.

"This donation which we deliver to you today is a contribution to the just cause of your people, and will serve to cover some needs and difficulties that face Nicaraguans as a result of the aggression," he added.

Cmdr Ruiz, thanking him on behalf of the government and people of Nicaragua, pointed out that the donation is an indication of the political understanding that has characterized the government of the GDR and its president, Erich Honecker.

He asserted that the solidarity of the government, the German Unified Socialist Party, and the people of that country is a constant factor that stems from the GDR's economic programs. These programs translate not only into donations of items useful to Nicaragua, but also into the training of professional cadres and overall aid that totals \$27 million.

The Sandinist leader cited the donation of the Karl Marx Hospital and all of its equipment as the main project emerging from the GDR's cooperation.

The GDR donation was brought by the ship "Glauchau," and contains 400 tons of flour, 2 million razor blades, 446 tons of soap, 24,500 school bags, 50,000 sheets for children, 1 million glasses, 30,000 pairs of rubber boots, 10,000 drills, 90,000 batteries, 3,000 radios, 100,000 plates, 30,000 sets of silverware for children, and 300 tons of grease, among other items. All of these goods will be received by the country in a few days.

# TRAINING OF RESERVES DESCRIBED

Managua BARRICADA in Spanish 11 Apr 87 p 2

[Text] Chinandega--The profound silence at the facilities of the Military Training Center was briefly interrupted by the buzzing of the magneto. A thousand possibilities occurred at once to the officer on guard, but only one remained in his mind: The Yankees must be coming!

Until that moment, no military exercise had been announced in the operational plans of the group of reservists, except in the minds of the commanding officers and the squares on the extensive map that was still stored away in one of the rooms at the Command Posts.

The shout of alarm issued by the surprised guard officer was cut off by two tremendous explosions and the deafening noise of an unidentified aircraft flying over the Training Center. The explosions did not stop, the columns of smoke and dust reddened the sky, and the silhouette of the enemy plane could barely be made out.

The uncertainty, fear, and bewilderment of the hundreds of reservists gradually dissipated as an interminable file of men, wearing backpacks and carrying infantry and support weapons, moved out of the area and headed toward the waiting area 20 kilometers away. There, in a place known as Las Delicias, two companies of reservists from Leon assessed the first phase of a maneuver that marked the culmination of the combat readiness cycle in tribute to the 8th anniversary of the Heroes and Martyrs of Veracruz.

At 1000 hours, as the sun begins to beat down on the soldiers' backs and the brambles prick where one least expects, the reservists, most of them veterans of the 40-13 and 17-28 battalions, wait in formation while the commanders discuss the measures to be taken in the next phase. Intelligence sources claim that at least 500 Somocist mercenaries, led by CIA agents and supported by 106.7-mm mortars, antiaircraft guns and light armored vehicles, have advanced several kilometers into our territory. They report that the towns of Comotillo and Villa Nueva have been taken, and that the mercenaries are regrouping around a nearby dam to launch a new attack.

Capt Luis Corea Pino, chief of the group's general staff, prepares to send the officers on their combat mission, while the soldiers camouflage themselves, taking into consideration the nature of the terrain.

"So far the boys have done very well; now we are getting ready to propose, discuss, and carry out a counteroffensive in columns in tactical situations, until we reach the enemy's border. Then we will break through and move on to the annihilation phase," says the officer.

Impatient, but certain that their new mission will be a great success, the reservists remain at ease but still in formation. Jose Antonio Morales, a veteran of five combat mobilizations since 1982, serves as an escort on one flank of the 57-mm cannon, which is intended to wipe out enemy machine gun nests and some armored vehicles. He has temporarily abandoned his farming activities to train for a month. He is from the district of Talchocate.

Mario Blanco, from Barrio Guadalupe, is an artillery adjutant. "I am preparing to defend my fatherland at any time and in any place," he declares.

Jorge Lorenzo Lechado Tellez left his job as a bricklayer in Barrio Guadalupe, Leon, to train in the Reserve for a month. This is the first time he has received military instruction.

Marcelo Moreno Vallecillo, a veteran reservist since 1981, says that the training is better now because there is more time and patience. This is very different from the days when the need to defend the fatherland from the mercenaries was more pressing.

This is the first group of reservists from Leon to undergo training this year. The maneuvers, according to commanders, are designed for chiefs, officers, and soldiers to put into practice all the theoretical knowledge they have acquired. Thus, if everything goes well, they will have passed their combat readiness cycle. That entire scene of uncertainty was just a realistic psychological preparation for a major event of war.

8926

CS0: 3248/313



1,600 POUNDS OF PORK SPOILED, 'NEGLIGENCE' BLAMED

Managua BARRICADA in Spanish 24 Apr 87 p 1

[Article by Noel Mendoza]

[Text] The director general of Supermarkets of Nicaragua, Denis Duarte Cortez, acknowledged yesterday that negligence was involved in the loss of more than 1,600 pounds of pork, valued at more than 2 million cordobas. The loss took place at the Central America Supermarket during Holy Week.

The lost meat is equivalent to the weight of ten pigs, and was owned by the National Food Enterprise (ENA), a sausage manufacturing company that belongs to Supermarkets of Nicaragua. The ENA purchased 60 pigs on Tuesday the 14th from the Alfonso Gonzalez Pasos slaughterhouse without having the necessary infrastructure for storing the meat.

The product was distributed at the Central America, Linda Vista, and Plaza Espana Supermarkets on instructions from Bernardo Izaguirre, vice director of the chain of supermarkets. In the first market, however, the requirement that some pigs be cut up on Wednesday the 15th was not met, and the storage was not supervised.

On the remaining days, since the commercial establishment was not open and the product was not adequately inspected, the meat began to decompose. This was because the pigs were stacked up on top of each other and the refrigeration did not reach all of them.

As of press time, Clorinda Zelaya, delegate of the Ministry of Domestic Trade (MICOIN) in Region III, announced to BARRICADA that the manager of the Central America Supermarket, John Saravia, had been held directly responsible for what happened and had been fired. Zelaya added that the discharge of the official is an initial step, but the investigations are continuing and other corrective measures will be taken.

8926

CSO: 3248/313

OPPOSITION UPM WARNS AGAINST INVOLVEMENT WITH IMF

Port-of-Spain TRINIDAD GUARDIAN in English 6 May 87 p 5

[Text]

**KINGSTOWN, May 5, Cana**—THE OPPOSITION United People's Movement (UPM) in St Vincent and The Grenadines has cautioned the James Mitchell Government about doing business with the International Monetary Fund (IMF).

UPM said the eagerness of the New Democratic Party (NDP) Government to get a certificate of good credit from the IMF had meant and would continue to mean depressed wages, the limiting of the role of the State in economic development, and the creation of an investment climate for the attraction of foreign capital.

According to the UPM, while the policies of the IMF might help to solve budgetary problems, they did so at the expense of the poor people in particular, through cuts in social services.

UPM also said IMF loans for infra-structural development led to continued neglect in the upgrading of vital areas of life, such as education, health, and housing for the poor.

The party noted that St Vincent and The Grenadines' membership of the IMF could be useful, but said the fund's overall policy objectives were not geared towards genuine development of the people of Third World countries.

"The benefits that the newly-independent countries can derive from

the IMF are limited, as the IMF's goals clash jarringly with the aspirations of the peoples in the under-developed world," UPM said.

The party felt that the James Mitchell Government needed to take up the call and work assiduously for the creation of a new international economic order as the only means of obtaining just and equitable relations for Third World international financial institutions.

### Mortgaging Future

It added: "Meek acceptance of the power of the IMF and submission to its policies will only lead to the mortgaging of this country's future to a handful of foreign-owned private banks."

The Opposition party called on Prime Minister Mitchell to state whether existing loans from the IMF have exceeded the country's quota of Special Drawing Rights (SDR), and whether there were plans to exceed it.

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ST VINCENT AND THE GRENADINES

DROUGHT EFFECTS CALLED 'GRIM'; BANANAS HARD HIT

FL292038 Bridgetown CANA in English 2002 GMT 29 Apr 87

[Text] Kingstown, 29 Apr (CANA)--The government may have to seek emergency aid for the country's main agricultural areas if the current drought continues for much longer, says Minister of Agriculture Marcus De Freitas.

The situation is very grim and it would be very grave for the next three to four months in St Vincent and the Grenadines, De Freitas told reporters.

The vital banana industry seems worst hit by almost five months of drought, the most severe since 1982.

Already banana exports, which at this time would normally have been about 1,200 tons weekly, have fallen to half that amount, and according to De Freitas this trend was expected to continue for some time unless the weather changes soon.

We can expect that exports will continue to fall unless we get some rain, and even with some rain we can still look forward to small volumes because some of the present trees would still fall over if even we get rain in the next two weeks' time.

A banana official said that the drought was so severe that it was impossible to fertilize or replant fields and that it would take at least nine months after the drought broke for farmers to begin the process of rehabilitation.

De Freitas said the current conditions would result in a lot of unemployment in the agricultural areas, and that the situation would have to be discussed at cabinet level with a view to seeking assistance from international agencies to assist banana and other farmers here.

He said efforts would also have to be made to create a special programme to provide short term jobs for those normally employed in agriculture.

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CIVIL SERVICE EXAMINED WITH EYE TO REORGANIZATION

Kingstown THE VINCENTIAN in English 6 Mar 87 p 3

[Article by Elvis Ollivierre]

[Text]

The civil service of St. Vincent and the Grenadines is to go through a process of restructuring and reorganisation soon. The process will follow a review of the service by the Canadian International Development Agency (CIDA) which has agreed to provide technical assistance to Government in this regard.

Government's intention, a press release states, will be to "eliminate inefficiency and waste". The release added that another key objective will be "to create the required conditions for attracting and retaining the highly trained and qualified cadre of officers needed to meet the demands of a modern Civil Service in a small developing country like ours."

The reform, the release noted will enable Government's strategy for development to be charted and implemented efficiently by these highly trained people. The exercise, according to the

release will be carried out in phases and will pay early attention to the reclassification and regrading of critically important posts. The release states that Government's firm intention to reorganise the Civil Service has been expressed in the budget addresses of 1984, 1985 and 1986 and in several other official statements and publications.

Meanwhile, CIDA's technical assistance on this exercise will be provided under a sub-regional programme - the Eastern Caribbean Economic Management Programme. The Canadian Agency's involvement will also extend to providing such assistance as might be required in implementing the recommendations of the study accepted by Government.

The release also noted that preparatory work on the exercise has commenced and been featured in recent discussions between the Prime Minister and officials of the Ministry of Finance and Planning and a visiting Mission from CIDA.

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### 30 PERCENT OF FAMILIES REPORTEDLY LIVING IN ABJECT POVERTY

Caracas LL UNIVERSAL in Spanish 27 Apr 87 p 2-2

[Text] There is no doubt that the "agricultural miracle" brought a boom in production, but every policy has its price, and we are paying it now, with higher food prices.

In 1984, price increases were ordered on the producer level, to give an incentive for an increase in agriculture. A study submitted by sociologist Juan Luis Hernandez indicates that the first hikes were justified by the lag suffered in farm prices during the past few years.

Nevertheless, claims J. L. Hernandez, when one examines the data provided by the Central Bank, one may reach the conclusion that this argumentation is not valid and that, on the contrary, since the 1970's and in recent years, farm prices have risen more than the general price index and those of other productive sectors.

This comparison indicates that the price index for agricultural and livestock products has risen far above the general index, and at least 150 percent more than the price of the manufacturing sector's products.

That same study, on "evaluation of the specific effects of the farm price policy," notes that the rise in national agricultural production has had a very high political cost, because, on the one hand, it has stricken further still the increasingly larger sectors of the population with critical poverty levels and, on the other, it has hampered agroindustrial activity.

Now we are engaged in a new round of price increases, on the level of the agricultural livestock producer and, hence, on the consumer level. The only thing that could curtail this transfer of the new prices to the Venezuelan's table would be the state's deciding to redirect the policy on subsidies. This would mean increasing some and applying others to categories which have not received this aid up until now.

The researchers, Juan Luis Hernandez and Bernardo Gonzalez claim that there is an erosion in agricultural profitability, because of the real direction of costs, and that it is hoped that this may be offset by higher prices; but the fact is that the price hike will not compensate for that rise in costs.



They comment: "The role of policy is to achieve a steady growth, and not a temporary boom, so that production and consumption would drop later."

Both remark that, what is happening is that the population is consuming less pork and beef, fish and shellfish, milk, and grains. In their place, the consumption has been moving toward less expensive products: pasta, eggs, and bread; and it has been predicted that this phenomenon will tend to become adjusted.

They are of the opinion that, as the agricultural policy has been devised, it has become depleted. There must be a different policy, which will also set different, not single prices, based on quality and productivity.

### The Critical Poverty

The lower income sectors devote a larger proportion of their income to the purchase of food, but at present, based on the household survey, 30 percent of the households have income of under 2,000 bolivares, thereby putting them in a state of nutritional risk and critical poverty; every time the price of food rises, that risk is heightened.

The situation is unquestionably complex. The farmers must have their cost increments recognized; but between what it costs them to produce a certain product and the final price paid by the consumer there is a large gap based on speculative factors.

Bernardo Gonzalez and Juan Luis Hernandez claim that they must be compensated for the real cost increase, but not for anything speculative.

And, moreover, they note that there must be redirection of food subsidies, based on national grains, to prevent the population's minimal nutritional requirements from continuing to deteriorate.

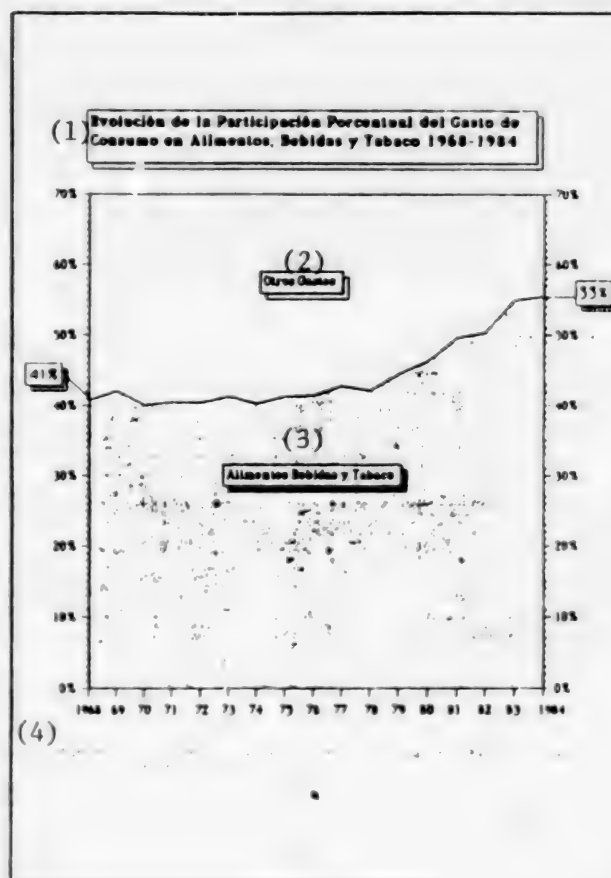
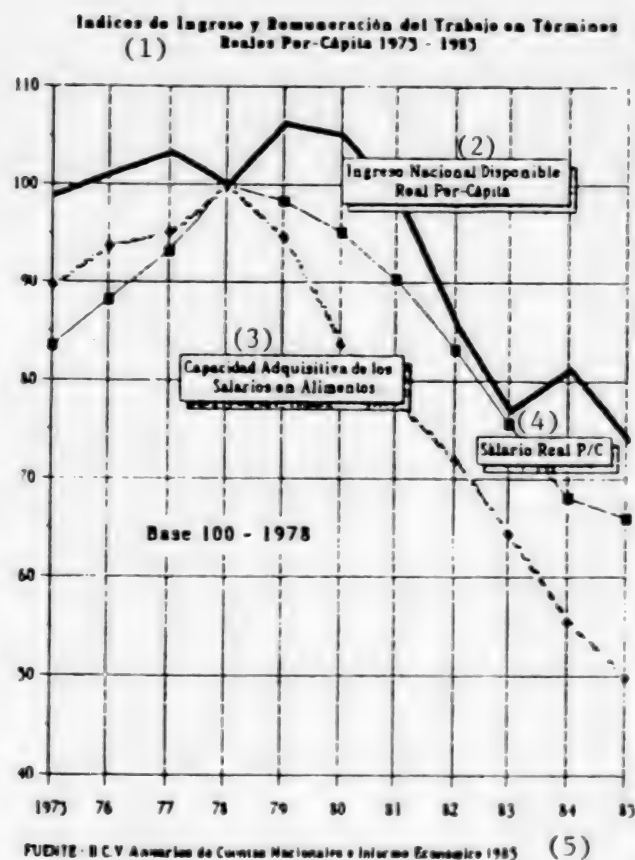
Grains currently constitute the protein-caloric essence of the poorest sectors' food, contributing over 50 percent of the calories consumed, and about 40 percent of the protein; hence the importance of the subsidy.

Based on the official statistics, and making their own inferences, these researchers point out that the proportion of income that Venezuelan families should devote to food purchases has increased sharply, amounting to over 55 percent of their total spending.

"This situation has caused a crisis among the lower income sectors, wherein the share of spending on food is far larger, causing a considerable number of families not to attain the income required for proper nutrition, and therefore to be placed in a state of critical poverty or indigence.

"While the cost of living is approximately four times that in 1968, that of food, beverages, and tobacco has risen 6.5 times; which, if we compare it

with the wages earned by the workers, indicates to us that the general purchasing capacity of wages is still larger than that of 1968, but that, in the case of food, we can purchase only 75 percent of what we were able to buy that year."

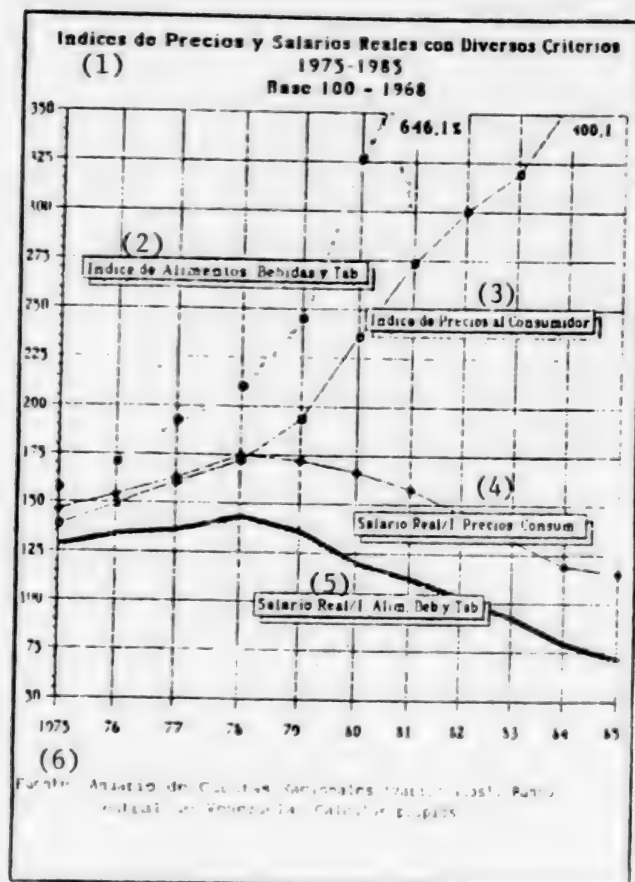


#### Key to Graph 1:

1. Per capita indexes on real work income and wages, 1975-1985
2. Per capita real available national income
3. Food purchasing capacity of wages
4. Real wage, %
5. Source: BCV [Central Bank of Venezuela] Yearbooks of National Accounts and Economic Report, 1985

#### Key to Graph 2:

1. Evolution of percentual share of consumer spending on food, beverages, and tobacco, 1968-1984
2. Other spending
3. Food, beverages, and tobacco
4. Source: Yearbook of National Accounts (several years), Central Bank of Venezuela



Key to Graph 3:

1. Real price and wage indexes with various criteria, 1975-1985
2. Food, beverage, and tobacco index
3. Consumer price index
4. Real wage/consumer price index
5. Real wage/food, beverage, and tobacco index
6. Source: Yearbook of National Accounts (several years), Central Bank of Venezuela. Own calculations.

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## TWO PERCENT ECONOMIC GROWTH EXPECTED IN 1987

Caracas EL NACIONAL in Spanish 25 Apr 87 p D-14

[Text] Professor Domingo Felipe Maza Zavala believes that the economic recession will continue during 1987.

"We have been in a recession from 1979 until the present," he claimed.

In his view, the most paradoxical year of this recession process was 1986, when the oil income dropped nearly 40 percent. Over \$5 billion was paid in service on the debt, and yet, according to the official indicators, the real GDP rose over 3 percent, due largely to the agricultural recovery, certain branches of the manufacturing industry, the basic state industries, and the public sector investments. But private investment continued to be depressed, especially in construction and services.

He remarked: "At the beginning of December 1986, there were indications that 1987 would be a relatively more favorable year than 1986, because of the prospect of improvement in oil prices, the easing of the debt service burden by the refinancing agreements, and the possibility of greater expansion in public spending, particularly in the Three-Year Plan programs, which had undergone some delay in 1986."

He went on to say: "But this picture was changed considerably by the measures adopted by the government on 6 December itself, among which the devaluation of the bolivar by a proportion of over 90 percent was the most significant; as well as the change in the system for non-traditional exports, subjecting them to compulsory sale of the respective foreign currency to the Central Bank at an exchange rate of 14.50. The circumstances stemming from those measures are occurring this year, and will leave their mark far beyond this period; because, in essence, they might mean that we are in a phase of turbulent transition toward a new state of the economy, wherein the parameters and criteria known up until now will not be operative, and will have to be replaced by a new frame of reference and a different orientation of the economic and social conduct, both public and private."

Maza Zavala noted that this transition might give rise to more or less explosive fluctuations in price levels, production volumes, investments, consumer

spending, and public spending per se; because everything will have to be readjusted to the new exchange rate, which has become the main parameter of reference for the most important decisions on the activity of both the state and private entities.

"An obvious result of this process is the inflationary expectations which, as such, are already causing serious distortions in the policy of business firms, in the private sector's institutional positions and even in the official sector's decisions."

He remarked that the administration of the inflation that the government has tried to carry out through a policy of partial agreements with the various business areas is resulting in a game of speculation, insofar as the inflationary indexes that we shall have this year are concerned. This game is present in the market through temporary shrinkages in the supply of goods and services, postponement of spending, or the participation of other expenditures, mainly consuming; and all this could mean that, during the first half of 1987, the macroeconomic results may be less favorable than those of the same period last year. Only when the picture of prices and wages and the public sector's response to the demand for new economic measures have been made clear, about the middle of the year, could the likely evolution of the economy come about; but it may be predicted that it will be extremely difficult to attain the GDP growth rate of 3 percent, such as last year's. And, at best, the growth rate would not exceed 1.5 or 2 percent; all of this depending largely on the good management of the foreign exchange budget and the solution that is given to the matter of wage compensations.

"The considerable insufficiency of the public budget to cope with the demands being made of it, which will continue to be made of it during the year, is particularly noteworthy, because deficit situations of a financial nature are dragging on in various sectors of public administration and of the institutions associated with it. Just as we must also take into consideration the repercussions that the inflationary escalation itself will have on the purchasing power of the fiscal bolivar. All this must be added to an intensive atmosphere of preelectoral political debate, which is causing another set of expectations which to some extent is having a contradictory effect on economic activity."

The conclusion that could be drawn from this examination made by Maza Zavala and from the circumstances affecting economic activity is that the relatively positive situation that was possible at the end of 1986, involving the improved development of the country, has been almost completely distorted this year. At the present time, there are more unknowns than objective assertions that could be made regarding the evolution of the situation during what remains of the period.

"What we are certain of is that 1987 will represent, far more than 1983, a different phase in the Venezuelan economy, both in the direction of production and consumption and in the process of accommodation to a more austere living standard, but one with greater real, rational essence than the one practiced in the country at present."

He claimed that, if we are guided by the Central Bank's index for the first quarter, an inflation rate of 30 percent could be projected for the entire year, without considering the effects of the rise in wages that must necessarily come.

"With these effects, that is, the repercussions of the wage hike, it is likely that the inflation index will approach that cited by the president of the CTV [Confederation of Venezuelan Workers], Juan Jose Delpino, in other words, over 40 percent."

He warned that the consequences of all this and of the new system of non-traditional exports, as well as the political and social expectations, will affect the dollar quotation on the free market, reinforcing the upward trend that has been shown during the first months of the year.

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INTERNATIONAL CONFERENCE ON FOREIGN DEBT ISSUES DOCUMENT

Legitimacy of Foreign Debt

Caracas EL NACIONAL in Spanish 28 Apr 87 p D-10

[Text] Between 1975 and 1986, an 11-year period, Latin America's foreign debt increased over fivefold, rising from \$75 billion to \$382 billion.

And, according to a recent study, "There is no record of any other process of appropriating revenue through exclusively banking methods in the entire documented history of financial capital."

These statements are taken into account in the document containing the conclusions from the international conference on the foreign debt and the IMF and EC plans, held over the weekend in Caracas, with over 200 delegates from Latin America, the Caribbean islands, Europe, and Africa.

The document declares that, concurrently with the drain of wealth toward the imperialist financial centers, the situation of workers in the underdeveloped countries has not ceased to deteriorate. The level of employment and purchasing power has declined. It cites in particular the EC plans, the implementation of which challenges the rights and guarantees of European workers, proposing the dismantling of industrial, mining, and iron and steel sectors, as well as shipyards and the advanced technology industry, to cope with the competition from the United States and Japan.

The International Peace Research Institute in Stockholm notes that the spending on weapons in the world exceeds \$1 million per year, constantly increasing. When that sum is compared with the Third World total debt, one perceives that it would suffice to substitute a year of waste and arms madness in order to pay the former. Hence, several governments have announced unilateral measures to limit the payment of interest or to stop remittances to private banks relating to interest, as Brazil has done.

It is for this reason that the IMF's demands, and its prescriptions based on cuts in consumption and employment have led to the legitimate action of peoples in the defense of their most fundamental rights. The economic war against peoples is backed by military aggression.

The imperialist demands would lead to a veritable colonization of the poor countries, and their conversion into slaves of the mother country, like the situation of the fraternal people of Puerto Rico, turned into a "commonwealth" and another star on the imperialist flag. The conversion of part of the debt into goods and property in the indebted countries is part of this desire to dominate the internal economies, subjecting the Third World countries to control and ownership by the foreign monopolies.

The international conference in Caracas concluded that the basis for resistance to the IMF and EC plans lies in the united battle in each country and, on an international scale, on the part of the organizations and peoples. This unity began to be created in the joint action already taken in Havana, which was the first major act of united resistance on the part of the peoples of the continent, under the slogan that "the debt is unpayable and should not be paid." The slogan has become auspicious in Caracas, and has been recorded as a continuation of that proposal.

The conference acknowledges the need for creating the bases for a new international economic order, based on respect for the self-determination of peoples, the elimination of domination by the large monopolies, just commercial and economic relations, and an end to all exploitation and oppression. The battle for a new economic order is a battle against the arms race, and against racist regimes or military dictatorships which represent the negotiation of all democratic freedoms and rights.

The Caracas conference has decided to support the Latin American and Caribbean trade union conference on the foreign debt to be held from 18 to 24 May in Sao Paulo, convoked by CUT [Sole Central Organization of Workers] and CGT [Union Headquarters] of Brazil, PIT [Inter-Union Workers Plenary]-CNT [National Convention of Workers] of Uruguay, and COB [Bolivian Labor Federation] of Bolivia; calling on the labor confederations throughout the world to repeat that event and express their support for a proposal that will represent an historic point in the development of the labor movement and the battle against the foreign debt.

It proposes an international court on the debt, to judge its origin and legitimacy, and the responsibility to the peoples for the destructive consequences of that debt.

#### U.S. Intervention in Nicaragua

Caracas EL NACIONAL in Spanish 28 Apr 87 p D-10

[Text] The Caracas conference on the foreign debt, attended by representatives from Asia, Africa, Europe, and Latin America, issued a statement in defense of the government of Nicaragua, in which it backs the Contadora Group's negotiations for peace in Central America, and condemns the position of the U.S. Government fostering the war against that country by aiding the Somoza contras. And, at the same time, it criticizes the anti-people position of the governments of Honduras and El Salvador.

It declares: "The Caracas conference on the foreign debt takes this occasion when we comrades from 27 countries of Asia, Africa, Latin America, and Europe are gathered together to voice our militant solidarity with the people and the legitimate government of Nicaragua, in their heroic struggle against the immoral, unjust, and illegal war that the present U.S. administration has imposed on the Nicaraguan people, which has the unanimous repudiation of the international public and of an increasingly larger number of American citizens."

It stressed: "As this conference is ending, on Honduran territory the dangerous Solid Shield maneuvers are occurring, which are heightening the tension in the Central American area and bringing the region, especially Nicaragua and El Salvador, to the brink of a virtual American intervention against these fraternal peoples."

Then the document remarks: "In view of these aggravating circumstances, it is incumbent on all of us who are struggling for freedom and justice in the various nations of the world to explain to the popular sectors the situation prevailing in Central America, particularly in Nicaragua and El Salvador; to denounce the United States Government's aggression against the Central American people; and to mobilize public opinion, political and social organizations, and representative institutions, for the purpose of:

"Requesting of the governments and congresses of our respective countries that they address the U.S. Government and Congress, demanding the immediate cessation of aid to the Somoza counterrevolution, in fulfillment of the provisions of the verdict from the International Court of Justice in The Hague, and the resolutions of the United Nations General Assembly and Security Council, as well as the immediate cessation of the intervention in the internal affairs of the Central American states.

"Requesting of our respective governments that they reiterate their support for the Contadora and Support Groups, while at the same time asking for a reactivation of the negotiations, so as to achieve as soon as possible a peace agreement among the Central American states.

"We delegates to the Caracas conference demand of the Central American governments that they adopt a constructive position akin to the Latin American and Bolivarian spirit that has been expressed at this conference. We also demand greater economic support from all the countries to Nicaragua, in order to offset the losses caused by the war of aggression. For this purpose, the Caracas conference, an advocate of not paying the foreign debt, hails the decision of the late prime minister of Sweden, Olof Palme, condemning Nicaragua's debt and calling on the governments of other countries to imitate his example.

"In the same connection, the Caracas conference requests of the European Economic Community that it maintain and increase the cooperation with the Central American peoples, without discrimination, establish favorable commercial terms, and contribute to the easing of their debt. We also call upon all

the countries to foster cooperation on all levels, in the context of intensified national and international coordination, for the fulfillment of the development plans devised by the government of Nicaragua.

"We resolve to send a communique in support of the organizations convoking the national mobilization for justice and peace that is under way in Washington, and to make contact with them in order to seek agreements for common international action in the defense of Nicaragua and of the Central American peoples' right to self-determination."

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**DATE FILMED**

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